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Form **990-PF**

Department of the Treasury
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as a Private Foundation

Note: *You may be able to use a copy of this return to satisfy State reporting requirements.*

OMB No. 1545-0052

1983

For the calendar year 1983, or tax year beginning , 1983, and ending , 19

Please type, print, or attach label. See Specific Instructions.

Name of organization
CO 35-0868122 990PF 12 3 04 03
LILLY ENDOWMENT CORPORATION
PO BOX 88068
INDIANAPOLIS IN 46208

Employer identification number 35 0868122

State registration number (see instructions) NFP 702793-01

If the foundation is in a 60-month termination under section 507(b)(1)(B) check here ▶ ☐

If address changed, check here ▶ ☐ Foreign organizations, check here ▶ ☐

Fair market value of assets at end of year $703,402,464

Check type of organization
☒ Exempt private foundation ☐ 4947(a)(1) trust ☐ Other taxable private foundation

Check this box if your private foundation status terminated under section 507(b)(1)(A) ▶ ☐

Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here and see general instructions ▶ ☐

The books are in care of ▶ Treasurer
Located at ▶ 2801 North Meridian Street Telephone no. ▶ 317-924-5471

Part I.—Analysis of Revenue and Expenses (See instructions for Part I)

		(A) Revenue and expenses per books	(B) Computation of net investment income	(C) Computation of adjusted net income	(D) Disbursements for charitable purpose
Revenue	1 Contributions, gifts, grants, etc. (attach schedule)				
	2 Contributions from split-interest trusts				
	3 Membership dues and assessments				
	4 Interest on savings and temporary cash investments	3,672,389	3,672,389	3,672,389	
	5 Dividends and interest from securities	35,657,971	35,657,971	35,657,971	
	6 Gross rents				
	7 Net gain or (loss) from sale of assets not on line 11	23,311,245			
	8 Capital gain net income		3,115,579		
	9 Net short-term capital gain				
	10 Income modifications			125,135	
	11 Gross profit from any business activities: (Gross receipts ▶ $ ..... minus cost of sales ▶ $ .....)				
	12 Other income (attach schedule)	125,135			
	13 Total—add lines 1 through 12	62,766,740	42,445,939	39,455,495	
Expenses	14 Compensation of officers, etc.	687,851	9,127	9,127	678,724
	15 Other salaries and wages	1,075,668	1,417	1,417	1,074,251
	16 Pension plans, employee benefits	356,036	2,327	2,327	353,709
	17 Investment, legal, and other professional services	262,873	20,004	20,004	242,869
	18 Interest				
	19 Taxes (attach schedule)	981,728	335	335	132,946
	20 Depreciation and depletion				
	21 Occupancy	98,863			98,863
	22 Other expenses (attach schedule)	1,541,515			1,549,489
	23 Contributions, gifts	44,270,180			44,270,180
	24 Total—add lines 1	74,714	33,210	33,210	48,401,031
	25 (a) Excess of revenue over expenses: Line 13 minus line 24	13,492,026			
	(b) Net investment income (if negative, enter -0-)		42,412,729		
	(c) Adjusted net income (if negative, enter -0-)			39,422,285	

CINCINNATI SERVICE CENTER RECEIPT AND ... 1984 INTERNAL REVENUE SERVICE

Part II.—Excise Tax On Investment Income (Section 4940(a), 4940(b), or 4948—See Instructions)

1	Domestic organizations enter 2% of line 25(b). Exempt foreign organizations enter 4% of line 25(b)	848,255
2	Tax under section 511 (exempt foundations and exempt foreign organizations enter -0-)	-0-
3	Add lines 1 and 2	848,255
4	Tax under subtitle A (exempt foundations and exempt foreign organizations enter -0-)	-0-
5	Tax on investment income (line 3 minus line 4 (but not less than -0-))	848,255
6	**Credits:** (a) Exempt foreign organizations—tax withheld at source	
	(b) Tax paid with application for extension of time to file (Form 2758)	-0-
7	Tax due (line 5 minus line 6) — Pay in full with return. Make check or money order payable to Internal Revenue Service (Write employer identification number on check or money order) ▶	848,255
8	Overpayment—(line 6 minus line 5)	

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Part III.—Balance Sheets

Attached schedules should be for end of year amounts only.(See instructions for col. (C).)

		Beginning of year (A) Book Value	End of year (B) Book Value	End of year (C) Fair Market Value
Assets	1 Cash—non-interest bearing	1,434		
	2 Savings and temporary cash investments	29,864,742	59,543,058	59,441,096
	3 Accounts receivable ▶			
	minus allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	minus allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (see instructions)			
	7 Other notes and loans receivable ▶			
	minus allowance for doubtful accounts ▶	1,800,000		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 Investments—securities (attach schedule)	105,970,490	91,345,351	643,774,414
	11 Investments—land, buildings, and equipment: basis ▶			
	minus accumulated depreciation (attach schedule) ▶	406,253		
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	minus accumulated depreciation (attach schedule) ▶			
	15 Other assets (Describe ▶ Accrued interest purchased)	77,069	186,954	186,954
	16 Total assets (add lines 1 through 15)	138,119,988	151,075,363	703,402,464
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Support and revenue designated for future periods (attach schedule)			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (Describe ▶ Schedule attached)	1,936,089	1,399,438	
	23 Total liabilities (add lines 17 through 22)	1,936,089	1,399,438	
Fund Balances or Net Worth	**Organizations that use fund accounting, check here ▶ ☐ and complete lines 24 through 27 and lines 31 and 32.**			
	24 (a) Current unrestricted fund			
	(b) Current restricted funds			
	25 Land, buildings, and equipment fund			
	26 Endowment fund			
	27 Other funds (Describe ▶)			
	Organizations not using fund accounting, check here ▶ ☒ and complete lines 28-32.			
	28 Capital stock or trust principal	303,864,799	328,594,491	
	29 Paid-in or capital surplus			
	30 Retained earnings or accumulated income	(167,680,900)	(178,918,566)	
	31 Total fund balances or net worth (see instructions)	136,183,899	149,675,925	
	32 Total liabilities and fund balances/net worth (see instructions)	138,119,988	151,075,363	

Part IV.—Analysis of Changes in Net Worth or Fund Balances

1	Total net worth or fund balances at beginning of year—Part III, Column (A), line 31	136,183,899
2	Enter amount from Part I, line 25(a)	13,492,026
3	Other increases not included in line 2 (itemize) ▶	
4	Add lines 1, 2, and 3	149,675,925
5	Decreases not included in line 2 (itemize) ▶	
6	Total net worth or fund balances at end of year (line 4 minus line 5)—Part III, Column (B), line 31	149,675,925

Part V.—Statements Regarding Activities

File Form 4720 if you answer "No" to question 10(b), 11(b), or 14(b) or "Yes" to question 10(c), 12(b), 13(a), or 13(b).	Yes	No
1 (a) During the tax year, did you attempt to influence any national, State, or local legislation or did you participate or intervene in any political campaign?		X
(b) Did you spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		X
If you answered "Yes" to 1(a), or (b), attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.		
(c) Did you file Form 1120-POL?		X

Part V.—Statements Regarding Activities (continued)

		Yes	No
2	Have you engaged in any activities which have not previously been reported to the Internal Revenue Service? *If "Yes" attach a detailed description of the activities.*		X
3	Have you made any changes, not previously reported to the IRS, in your governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes" attach a conformed copy of the changes.*		X
4	(a) Did you have unrelated business gross income of $1,000 or more during the year?		X
	(b) If "Yes" have you filed a tax return on Form 990-T for this year?		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes" attach a schedule for each asset disposed of showing: the type of asset, the date of disposition, its cost or other basis, its fair market value on date of disposition, and the name and address of each recipient to whom assets were distributed. (See General Instruction I.)*		X
6	Are the section 508(e) requirements satisfied either: • by language written into the governing instrument, or • by State legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the State law remain in the governing instrument?	X	
7	Did you have at least $5,000 in assets at any time during the year? If "Yes" complete Part III, Column (C) and Part XIII.	X	
8	(a) Enter States to which the foundation reports or with which it is registered (see instructions) ▶ Indiana		
	(b) If you answered 7 "Yes" have you furnished a copy of Form 990-PF to the Attorney General (or his or her designate) of each State as required by General Instruction K.1? If "No" attach explanation.	X	
9	Are you claiming status as an operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1983 or fiscal year beginning in 1983 (see instructions for Part XII)? *If "Yes," complete Part XII.*		X
10	Self-dealing (section 4941):		
	(a) During the year did you (either directly or indirectly):		
	(1) Engage in the sale, or exchange, or leasing of property with a disqualified person?		X
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		X
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		X
	(4) Pay compensation to or pay or reimburse the expenses of a disqualified person?	X	
	(5) Transfer any of your income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?		X
	(6) Agree to pay money or property to a government official? (Exception: check "No" if you agreed to make a grant to or to employ the official for a period after he or she terminates government service if he or she is terminating within 90 days.)		X
	(b) If you answered "Yes" to any of the questions 10(a)(1) through (6), were the acts you engaged in excepted acts as described in regulations section 53.4941(d)-3 and 4?	X	
	(c) Did you engage in a prior year in any of the acts described in 10(a), other than excepted acts, that were acts of self-dealing that were not corrected by the first day of your tax year beginning in 1983?		X
11	Taxes on failure to distribute income (section 4942) (does not apply for years you were an operating foundation as defined in section 4942(j)(3) or 4942(j)(5)):		
	(a) Did you at the end of tax year 1983 have any undistributed income (lines 6(d) and (e), Part XI) for tax year(s) beginning before 1983? If "Yes" list the years ▶ _____, _____, _____, _____		X
	(b) If "Yes" to (a) above, are you applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the undistributed income for ALL such years?		
	(c) If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in (a) above, list the years here and see the instructions ▶ _____, _____, _____, _____		
12	Taxes on excess business holdings (section 4943):		
	(a) Did you hold more than 2% direct or indirect interest in any business enterprise at any time during the year?	X	
	(b) If "Yes" did you have excess business holdings in 1983 as a result of any purchase by you or disqualified persons after May 26, 1969; after the lapse of the 5-year period to dispose of holdings acquired by gift or bequest; or after the lapse of the 10-year first phase holding period? **Note:** *You may use Schedule C, Form 4720, to determine if you had excess business holdings in 1983.*		X
13	Taxes on investments which jeopardize charitable purposes (section 4944):		
	(a) Did you invest during the year any amount in a manner that would jeopardize the carrying out of your charitable purposes?		X
	(b) Did you make any investment in a prior year (but after December 31, 1969) that could jeopardize your charitable purpose that you had not removed from jeopardy on the first day of your tax year beginning in 1983?		X

Part V.—Statements Regarding Activities (continued)

	Yes	No
14 Taxes on taxable expenditures (section 4945):		
(a) During the year did you pay or incur any amount to:		
(1) Carry on propaganda, or otherwise attempt to influence legislation by attempting to affect the opinion of the general public or any segment thereof, or by communicating with any member or employee of a legislative body, or by communicating with any other government official or employee who may participate in the formulation of legislation?		X
(2) Influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive?		X
(3) Provide a grant to an individual for travel, study, or other similar purposes?	X	
(4) Provide a grant to an organization, other than a charitable, etc., organization described in section *509(a) (1), (2), or (3)*?	X	
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?		X
(b) If you answered "Yes" to any of questions 14 (a)(1) through (a)(5), were all such transactions excepted transactions as described in regulations section 53.4945?	X	
(c) If you answered "Yes" to question 14(a)(4), do you claim exemption from the tax because you maintained expenditure responsibility for the grant?	X	
If "Yes" attach the statement required.		
15 Did any persons become substantial contributors during the tax year? *If "Yes" attach a schedule listing their names and addresses.*		X
16 During this tax year did you maintain any part of your accounting/tax records on a computerized system?	X	

Part VI.—Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees and Contractors

1 List officers, directors, trustees, foundation managers and, if paid, their compensation for 1983 (see instructions):

Name and address	Title, and average hours per week devoted to position	Contributions to employee benefit plans	Expense account, other allowances	Compensation
Schedule attached				
Total ▶				687,851

2 Compensation of five highest paid employees for 1983 (other than included in 1 above—see instructions):

Name and address of employees paid more than $30,000	Title, and time devoted to position	Contributions to employee benefit plans	Expense account, other allowances	Compensation
Charles A. Johnson 448 Tulip Poplar Crest, Carmel, IN 46032	Devel.Counselor Full	$18,109	$11,981	$71,025
H. Dean Evans, 8229 N. Lincoln Blvd. Indianapolis, IN 46240	Prog. Officer Full	16,213	4,129	63,598
Ralph E. Lundgren, 11826 Rolling Springs Dr., Carmel, IN 46032	Prog.Officer Full	15,417	2,755	58,709
Gordon St. Angelo, 7604 N. Meridian Indianapolis, IN 46260	Prog. Officer Full	14,378	11,198	54,850
Michael A. Carroll, 3412 W. 42nd St. Indianapolis, IN 46208	Dir.-C.D.Prog. Full	11,653	4,175	49,438
Total number of other employees paid over $30,000 ▶ 6				

3 Five highest paid persons for professional services for 1983 (see instructions):

Name and address of persons paid more than $30,000	Type of service	Compensation
Baker and Daniels 810 Fletcher Trust Building, Indianapolis, IN 46204	Attorneys	$213,650
Total number of others receiving over $30,000 for professional services ▶		

Part VII.—Capital Gains and Losses for Tax on Investment Income

a. Kind of property. Indicate security, real estate, or other (specify)	b. Description (examples 100 sh. of "Z" Co., 2 story brick, etc.)	c. How acquired P—Purchase D—Donation	d. Date acquired (mo., day, yr.)	e. Date sold (mo., day, yr.)
1 Schedule Attached				

f. Gross sales price minus expense of sale	g. Depreciation allowed (or allowable)	h. Cost or other basis	i. Gain or (loss) (f plus g minus h)
$36,044,979		$12,733,733	$23,311,246

Complete only for assets showing gain in column i and owned by the foundation on 12/31/69

j. F M V as of 12/31/69	k. Adjusted basis as of 12/31/69	l. Excess of col. j over col. k, if any	m. Losses (from col. i) Gains (excess of col. i gain over col. l, but not less than zero)
$20,600,000	$404,333	$20,195,667	$ 3,115,579

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 8 / If (loss), enter -0- in Part I, line 8 }	$ 3,115,579
3 Net short-term capital gain (loss) as defined in section 1222(5) and (6) If gain, also enter in Part I, line 9 (see instructions for line 9) / If loss, enter -0- in Part I, line 9		-0-

Part VIII.—Minimum Investment Return for 1983

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
(a) Average monthly fair market value of securities	749,989,807
(b) Average of monthly cash balances	(337,164)
(c) Fair market value of all other assets (see instructions)	2,210,897
(d) Total (add lines (a), (b), and (c))	751,863,540
2 Acquisition indebtedness applicable to line 1 assets	-0-
3 Line 1(d) minus line 2	751,863,540
4 Cash deemed held for charitable activities—enter 1½% of line 3 (for greater amount, see instructions)	11,277,953
5 Line 3 minus line 4	740,585,587
6 Enter 5% of line 5	37,029,279

Part IX.—Computation of Distributable Amount for 1983 (See instructions)

1 Minimum investment return from Part VIII, line 6		37,029,279
2 Total of:		
(a) Tax on investment income for 1983 from Part II, line 5	848,255	
(b) Income tax under subtitle A, for 1983	-0-	848,255
3 Distributable amount (line 1 minus line 2)		36,181,024
4 Adjustments to distributable amount		
5 Distributable amount as adjusted (line 3 plus or minus line 4)—also enter in Part XI, line 1		36,181,024

Part X.–Qualifying Distributions in 1983 (See instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
(a) Expenses, contributions, gifts, etc.–total from Part I, column (D), line 24	48,401,031
(b) Program-related investments	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	
3 Amounts set aside for specific charitable projects that satisfy the:	
(a) Suitability test (prior IRS approval required)	
(b) Cash distribution test (attach the required schedule)	
4 Total qualifying distributions made in 1983 (add lines 1, 2, and 3)–also enter in Part XI, line 4	48,401,031

Part XI.–Computation of Undistributed Income (See instructions)

		(a) Corpus	(b) Years prior to 1982	(c) 1982	(d) 1983
1 Distributable amount for 1983 from Part IX					36,181,024
2 Undistributed income, if any, as of the end of 1982:					
(a) Enter amount for 1982				-0-	
(b) Total for prior years: ____ , ____ , ____			-0-		
3 Excess distributions carryover, if any, to 1983:					
(a) From 1978					
(b) From 1979					
(c) From 1980					
(d) From 1981					
(e) From 1982	10,725,985				
(f) Total of 3(a) through (e)		10,725,985			
4 Qualifying distributions for 1983	(48,401,031)				
(a) Applied to 1982, but not more than line 2(a)				(-0-)	
(b) Applied to undistributed income of prior years (Election required)			(-0-)		
(c) Treated as distributions out of corpus (Election required)		-0-			
(d) Applied to 1983 distributable amount					(36,181,024)
(e) Remaining amount distributed out of corpus		12,220,007			
5 Excess distributions carryover applied to 1983 *(If an amount appears in column (d), the same amount must be shown in column (a))*		(-0-)			(-0-)
6 Enter the net total o each column as indicated below:					
(a) Corpus. Add lines 3(f), 4(c), and 4(e). Subtract line 5		22,945,992			
(b) Prior years' undistributed income. Line 2(b) minus line 4(b)			(b) -0-		
(c) Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			(c) -0-		
(d) Subtract line 6(c) from line 6(b). This amount is taxable–(see instructions)			(d) -0-		
(e) Undistributed income for 1982. Line 2(a) minus line 4(a). This amount is taxable–(see instructions)				-0-	
(f) Undistributed income for 1983. Line 1 minus lines 4(d) and 5. This amount must be distributed in 1984					-0-
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(D) or 4942(g)(3) (see instructions)		(-0-)			
8 Excess distributions carryover from 1978 not applied on line 5 or line 7 (see instructions)		(-0-)			
9 Excess distributions carryover to 1984. (Line 6(a) minus lines 7 and 8)		22,945,992			
10 Analysis of line 9:					
(a) Excess from 1979					
(b) Excess from 1980					
(c) Excess from 1981					
(d) Excess from 1982	10,725,985				
(e) Excess from 1983	12,220,007				

Part XII.—Private Operating Foundations (See instructions and Part V, Question 9)

1 (a) If the foundation has received a ruling or determination letter that it is an operating foundation, and the ruling is effective for 1983, enter the date of the ruling . . . . ▶

(b) Check box to indicate whether you are an operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5).

	Tax year	Prior 3 Years			
	(a) 1983	(b) 1982	(c) 1981	(d) 1980	(e) Total
2 (a) For 1983 and 1982, enter the lesser of the amount from Part I, line 25(c) or the amount from Part VIII, line 6 of the return for the applicable year. For years prior to 1982, enter the adjusted net income from the prior year's return					
(b) 85% of line (a)					
(c) Qualifying distributions from Part X, line 4, for 1983 (enter corresponding amount for prior years)					
(d) Amounts included in (c) not used directly for active conduct of exempt activities					
(e) Qualifying distributions made directly for active conduct of exempt purposes (line (c) minus line (d))					
3 Complete the alternative test in (a), (b), or (c) on which you rely:					
(a) "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
(b) "Endowment" alternative test—Enter ⅔ of minimum investment return shown in Part VIII, line 6, for 1983 (enter ⅔ of comparable amount for prior years)					
(c) "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) .					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income .					

Part XIII.—Supplementary Information (see instructions)

1 Information Regarding Foundation Managers

(a) List here any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

None

(b) List here any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 If you directly carry on any significant program service activity other than grant making as described in line 3, attach a statement describing each activity. Include relevant statistical information, such as the number of clients, patients, students, visitors, or members served

None

Part XIII.—Suplementary Information (continued)

3 Information Regarding Grant and Loan Programs Guidelines Attached

If you award grants, scholarships, fellowships, loans, prizes, or similar benefits, enter the following information:

(a) The name, address, and telephone number of the person to whom applications should be addressed

(b) The form in which applications should be submitted and information and materials they should include

(c) Any submission deadlines

(d) Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

4 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation Status of Recipient	Purpose of grant or contribution	Amount
(a) *Paid during year* Schedule Attached				
Total (Enter this amount on line 23, Part I, also.) ▶				44,270,180
(b) *Approved for future payment* Schedule Attached				
Total ▶				63,533,756

Part XIV.—Public Inspection

1 Enter the date the notice of availability of the annual return appeared in a newspaper ▶ May 4, 1984

2 Enter the name of the newspaper ▶ Indianapolis Commercial

3 Check here ▶ [X] if you have attached a copy of the newspaper notice as required by the instructions. (If the notice is not attached, the return will be considered incomplete.)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

▶ William M. Goodman 5/11/84 ▶ Treasurer

Signature of officer or trustee — Date — Title

Paid Preparer's Use Only

Preparer's signature ▶ Michael Clay — Date 5/11/84 — Check if self-employed ▶ [ ] [redacted]

Firm's name (or yours, if self-employed) and address ▶ Ernst & Whinney, One Indiana Square, Indianapolis, Indiana — E.I. No. ▶ 34 656559 — ZIP code ▶ 46204

LILLY ENDOWMENT, INC. - INDIANAPOLIS, INDIANA
Calendar Year 1983

35-0868122

PART XIV - PUBLIC INSPECTION

PROOF OF PUBLICATION from **The Indianapolis Commercial**

2 OF 2 25
84-3133

NOTICE

NOTICE is hereby given that the Annual Report of Lilly Endowment, Inc., which has been determined to be a private Foundation, filed under Section 6056 of the Internal Revenue Code, is available for inspection during regular business hours at the principal office of such Foundation by any citizen, who request, within 180 days after publication of this notice. The principal office of Lilly Endowment, Inc. is 2801 N. Meridian Street, Indianapolis, Indiana 46208, (317) 924-5471, and the name of its principal manager is William M. Goodwin, Treasurer.
84-3133--5:4 2

INDIANA'S LEADING DAILY LEGAL AND COMMERCIAL NEWSPAPER
Established 1895
136 E. MARKET ST. SUITE 401, INDIANAPOLIS, INDIANA 46204 - Phone 636-3303

County, ss: Personally appeared before me, a Notary Public in and for said County and State, Kathleen A. Ray, who being duly sworn upon her oath, says she is a Clerk for The Indianapolis Commercial Inc., publishers of The Indianapolis Commercial, a daily newspaper of general circulation, printed and published in the English language, in the City of Indianapolis, Indiana, in the County aforesaid, and that the notice, of which the attached is a true copy, was published on these dates:
05/04 1984

in said paper

Kathleen A. Ray

My Commission Expires: July 20, 1986
County of Residence: Marion

SUBSCRIBED AND SWORN to before me this 7th day of MAY 1984

Kenneth Vance
Notary Public.

LILLY ENDOWMENT, INC. - INDIANAPOLIS, INDIANA
Calendar Year 1983

35-0868122

PART XIII - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR OR APPROVED FOR FUTURE PAYMENTS

Line 23 - Contributions, gifts, grants:

Each of the following grantees is a public charity (i.e., an organization described in I.R.C. Section 509(a)(1), (2), or (3), except those noted below.

	GRANTS			
	Unpaid December 31, 1982	1983 Approved	1983 Paid	Unpaid December 31, 1983
Detail listing enclosed	$52,120,442	$55,683,494	$44,270,180	$63,533,756

GRANTEES WHO QUALIFY AS OTHER THAN A PUBLIC CHARITY

Organization	Organizational Status	Amount Paid in 1983
Center for Applied Studies	Private Operating Foundation	$ 25,000
The Cheswick Center	Private Operating Foundation	20,000
Children's Educational Foundation	Public Charity	20,000
Council on Library Resources	Private Operating Foundation	119,800
Greater Indianapolis Council on Alcoholism, Inc.	Public Charity	40,000
Heritage Plantation of Sandwich	Private Operating Foundation	250,000
Indianapolis Bar Foundation	Public Charity	25,000
Institute for Development of Educational Activities, Inc.	Private Operating Foundation	42,000
Wilma Rudolph Foundation	Public Charity	55,734

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY (Continued)

(d) Amount expended by grantee:

$107,000

(e) Diversions:

None

(f) Date of grantee report:

February 14, 1984

(g) Verification:

None

6. (a) Name and address of grantee:

Children's Educational Foundation, Inc.
6825 Canberra Circle
Indianapolis, Indiana 46220

(b) Date and amount of grant:

October 21, 1982 $20,000

(c) Purpose of grant:

Expand readership of the Peanut Butter Press

(d) Amount expended by grantee:

$20,000

(e) Diversions:

None

(f) Date of grantee report:

March 12, 1984

(g) Verification:

None

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY

1. (a) Name and address of grantee:

The Cheswick Center
11 Newbury Street
Boston, Mass. 02116

(b) Date and amount of grant:

March, 1983 $ 40,000

(c) Purpose of grant:

Study of Boards of Theological Schools

(d) Amount expended by grantee:

$1,242

(e) Diversions:

None

(f) Date of grantee report:

March 14, 1984

(g) Verification:

None

2. (a) Name and address of grantee:

Council on Library Resources
One Dupont Circle
Washington, D.C. 20036

(b) Date and amount of grants:

September 19, 1978	$200,000
June 17, 1980	200,000
September, 1983	250,000

(c) Purpose of grants:

Development of a computerized bibliographic network and a library economics study

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY (Continued)

(d) Amount expended by grantee: $357,099

(e) Diversions:

None

(f) Date of grantee report:

March 15, 1984

(g) Verification:

None

3. (a) Name and address of grantee:

Heritage Plantation of Sandwich
Grove Street, Box 566
Sandwich, Mass. 02563

(b) Date and amount of grant:

April, 1982 $500,000

(c) Purpose of grant:

Educational and cultural programs

(d) Amount expended by grantee:

$250,000

(e) Diversions:

None

(f) Date of grantee report:

February, 1984

(g) Verification:

None

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY (Continued)

4. (a) Name of grantee:

Greater Indianapolis Council on
Alcoholism, Inc.
3052 Sutherland Avenue
Indianapolis, Indiana 46205

(b) Date and amount of grant:

May, 1982 $ 55,000

(c) Purpose of grant:

Operating support

(d) Amount expended by grantee:

$55,000

(e) Diversions:

None

(f) Date of grantee report:

March 8, 1984

(g) Verification:

None

5. (a) Name of grantee:

Institute for Development of Educational Activities, Inc.
5353 Far Hills Avenue
Dayton, Ohio 45429

(b) Date and amount of grants:

June, 1982 $107,000

(c) Purpose of grant:

Conducting the Learning Unlimited program
in Indianapolis schools and study of
schooling in the U.S.

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY

7. (a) Name and address of grantee:

Center for Applied Studies, Inc.
77 Massachusetts Avenue
Cambridge, Massachusetts 02139

(b) Date and amount of grant:

October, 1983 $ 25,000

(c) Purpose of grant:

Development of leadership programs

(d) Amount expended by grantee:

$16,368

(e) Diversions:

None

(f) Date of grantee report:

March 12, 1984

(g) Verification:

None

8. (a) Name and address of grantee:

Indianapolis Bar Foundation
320 West 92nd Street
Indianapolis, Indiana 46260

(b) Date and amount of grant:

May, 1983 $ 50,000

(c) Purpose of grant:

Law and child protection project

(d) Amount expended by grantee:

$12,291

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PART V - LINE 14(c) - REPORT ON EXPENDITURE RESPONSIBILITY

(e) Diversions:

None

(f) Date of grantee report:

March 13, 1984

(g) Verification:

None

9. (a) Name and address of grantee:

The Wilma Rudolph Foundation, Inc.
850 N. Meridian Street
Indianapolis, Indiana 46204

(b) Date and amount of grant:

February, 1983 $155,734

(c) Purpose of grant:

Youth programs in Indianapolis

(d) Amount expended by grantee:

$55,734

(e) Diversions:

None

(f) Date of grantee report:

January 18, 1984

(g) Verification:

None

Guidelines

The Lilly Endowment is a philanthropic foundation created in 1937 with gifts from the Lilly family of Indianapolis. The Endowment's charter as a non-profit corporation empowers it to make grants for "the promotion and support of religious, educational or charitable purposes."

The Endowment considers a carefully defined range of creative efforts to handle human problems. Traditionally, the emphasis has been on projects that depend on private support. However, a limited number of grants also have been made to governmental institutions and tax-supported programs.

Program Interests

The Endowment strives to commit its resources to efforts that can produce positive changes in human society. Toward that end, the board of directors has established areas of priority interest. Grant proposals involving projects within those areas are given careful consideration. However, because there are many more worthwhile projects than there are dollars to support them, many of the proposals will have to be declined.

The priority interest areas of the Endowment fall into four basic categories:

- ☐ Human development.
- ☐ Strengthening independent institutions.
- ☐ Encouraging responsive government at all levels.
- ☐ Improving the quality of life in Indianapolis and Indiana.

Projects That Are Not Funded

Under the policies established by the board of directors, the Endowment regularly declines projects in health care. While there have been a few exceptions to this rule, most have involved community projects in Indianapolis.

Also declined with regularity are most projects related to biological and physical science research, housing, transportation, environment, population, the establishment of endowment funds and the funding of scholarships. With the exception of a few projects in Indianapolis, the Endowment rarely provides funds for the construction of buildings or other facilities.

Requests for grants covering a period of more than two years usually are rejected and so are most requests involving the production of films and other mass media. The Endowment does not make grants to individuals.

In the art and culture field, the Endowment makes a very limited number of grants and all of these are restricted to Indianapolis and Indiana. The grants made by the Endowment to international programs are restricted to a handful of developmental and informational programs.

Application Procedures

The first step in applying to the Endowment for a grant is the submission of a letter. It should concisely summarize the project, describe its purpose and how the project will accomplish that purpose. The letter also should state the expected results, specify the amount of money requested from the Endowment and identify any other sources of financial support. The letter should not exceed two pages.

Because of program priorities and budgetary limitations, the vast majority of unsolicited requests for funding must be rejected. When that happens, applicants are notified in writing. If the Endowment is interested in an initial proposal, the applicant will be asked to develop a request that is complete and realistic.

Required Information

The Endowment must have the full, correct legal name and address of the applying organization as well as copies of Internal Revenue Service documentation of tax-exempt and foundation status. This must include rulings or determination letters of

LILLY ENDOWMENT, INC. - INDIANAPOLIS, INDIANA

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PART VI - SCHEDULE 1 - COMPENSATION
OF OFFICERS, DIRECTORS AND TRUSTEES

Name and Address	Title and Time Devoted	Contributions to Employee Benefit Plans	Expense Account and Other Allowances	Compensation
Thomas H. Lake P. O. Box 724 Carmel, Indiana 46032	Chairman, President & Director Entire	$ 40,626	$ -0-	$ 163,400
Robert A. Johnson 7973 N. Pennsylvania Indianapolis, Ind. 46240	Executive Vice President Entire	24,915	2,323	95,736
Laura A. Bornholdt 5521 Roxbury Terrace Indianapolis, Ind.46226	Vice President for Education Entire	18,348	9,095	70,067
Robert W. Lynn 6154 Forest View Dr. Indianapolis, Ind. 46208	Vice President for Religion Entire	18,348	11,537	71,610
James T. Morris 8191 N. Pennsylvania Indianapolis, Ind. 46240	Executive Vice President Entire	18,604	17,725	97,905
William M. Goodwin 3117 Lehigh Ct. Indianapolis, Ind. 46268	Secretary & Treasurer Entire	15,635	2,200	60,133
Otis R. Bowen 2249-C Rome Drive Indianapolis, Ind. 46208	Director Part	-0-	-0-	18,000
Byron P. Hollett 3801 Springfield Overlook Indianapolis, Ind. 46234	Director Part	-0-	-0-	19,500
Eli Lilly II 10819 Ditch Road Carmel, Ind. 46032	Director Part	-0-	-0-	18,000
Eugene F. Ratliff 8412 Swan's Way Indianapolis, Ind. 46260	Director Part	-0-	3,277	19,500

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PART VI - SCHEDULE 1 - COMPENSATION
OF OFFICERS, DIRECTORS AND TRUSTEES (continued)

Name and Address	Title and Time Devoted	Contributions to Employee Benefit Plans	Expense Account and Other Allowances	Compensation
Margaret Chase Smith Norridgewock Avenue Skowhagen, Maine 04976	Director Part	$ -0-	$ 2,408	$ 18,000
Herman B Wells Owen Hall Indiana University Bloomington, Ind. 47401	Director Part	-0-	-0-	18,000
Richard D. Wood 5715 Sunset Lane Indianapolis, Ind. 46260	Director Part	-0-	-0-	18,000
			Total	$ 687,851

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PART I - ANALYSIS OF RECEIPTS AND EXPENDITURES

Line 12 - Other Income:		
Repayment of unused grant funds		$ 125,135
Line 17 - Investment, legal and other professional services:		
Investment management fees		$ 19,979
Legal and accounting fees		227,531
Miscellaneous		15,363
	Total	$ 262,873
Line 19 - Taxes:		
Payroll Tax		$ 67,827
Property Tax		65,454
Federal Excise Tax		848,447
	Total	$ 981,728
Line 22 - Other Expenses:*		
Consultants		$ 397,906
Travel		109,465
Grant and consultation interviews		20,204
Workshops and conferences		293,937
Building renovation, furniture and fixtures		97,215
Insurance		86,479
Maintenance and repairs		118,655
Office supplies and postage		49,064
Utilities		40,947
Annual report and public relations		59,468
Telephone and telegraph		56,118
Dues and subscriptions		34,947
Building management fees		3,000
Cafeteria expense		73,824
Sundry program and administrative expenses		100,286
		$1,541,515

*Column D has been increased by $7,974. This amount represents 1983 payments to retirees. The related retirement liability was accrued in prior years and the resulting expense was not treated as a qualifying distribution for tax purposes.

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INVESTMENTS

December 31, 1983

Par Value		Cost	Approximate Market Value
	United States Government and Agency, Bank, and Corporate Interest-Bearing Obligations		
	United States Government:		
	United States Treasury Note Coupons:		
$ 2,386,875	14.25%, due February 15, 1984	$ 2,012,852	$ 2,181,264
	Term Repos with United States Treasury or Agency securities as collateral:		
8,386,331	9.25%, due January 9, 1984	8,386,331	8,386,331
3,601,562	9.35%, due January 16, 1984	3,601,562	3,601,562
2,000,000	9.9%, due February 6, 1984	2,000,000	2,000,000
8,000,000	9.65%, due February 13, 1984	8,000,000	8,000,000
		21,987,893	21,987,893
	United States Government Agency:		
2,100,000	Federal Farm Credit Bank, 11.5%, due October 20, 1988	2,100,000	2,088,188
	Federal Home Loan Bank:		
2,100,000	10.8%, due October 27, 1986	2,100,000	2,088,188
2,600,000	14.2%, due November 25, 1988	2,874,625	2,830,750
	Federal National Mortgage Association:		
2,700,000	14.3%, due July 10, 1986	2,917,688	2,877,188
3,100,000	11.2%, due June 10, 1987	3,103,875	3,076,750
2,600,000	15.25%, due July 10, 1987	2,920,125	2,864,875
		16,016,313	15,825,939
	Bank Demand Notes:		
1,076,000	Merchants National Corporation	1,076,000	1,076,000
	Bank Notes:		
	Merchants National Corporation		
1,500,000	9.625%, due January 16, 1984	1,500,000	1,500,000
1,000,000	9.688%, due January 16, 1984	1,000,000	1,000,000
		2,500,000	2,500,000
	Certificates of Deposit:		
250,000	Midwest National Bank, 9.5%, due June 4, 1984	250,000	250,000
	Various Banks and Savings & Loans, in $100,000 denominations:		
3,000,000	11.25-11.5%, due in 1986	3,000,000	3,000,000
3,000,000	11.25-11.625%, due in 1987	3,000,000	3,000,000
3,000,000	11.5-12.25%, due in 1988	3,000,000	3,000,000
		9,250,000	9,250,000

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PART VII - CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

a	b	c	d	e	f	h	i	j	k	l	m
ELI LILLY & CO. COMMON STOCK	1,000	D	1940 VAR.	2/18/83	60,677.97	1,010.83	59,667.14	51,500.00	1,010.83	50,489.17	9,177.97
ELI LILLY & CO. COMMON STOCK	25,000	D	1940 VAR.	6/13/83	1,622,195.83	25,270.82	1,596,925.01	1,287,500.00	25,270.82	1,262,229.18	334,695.83
ELI LILLY & CO. COMMON STOCK	10,000	D	1940 VAR.	6/14/83	648,878.33	10,108.33	638,770.00	515,000.00	10,108.33	504,891.67	133,878.33
ELI LILLY & CO. COMMON STOCK	49,000	D	1940 VAR.	6/15/83	3,179,503.83	49,530.82	3,129,973.01	2,523,500.00	49,530.82	2,473,969.18	656,003.83
ELI LILLY & CO. COMMON STOCK	68,000	D	1940 VAR.	6/29/83	4,335,375.21	68,736.64	4,266,638.57	3,502,000.00	68,736.64	3,433,263.36	833,375.21
ELI LILLY & CO. COMMON STOCK	25,000	D	1940 VAR.	7/01/83	1,589,071.93	25,270.83	1,563,801.10	1,287,500.00	25,270.83	1,262,229.17	301,571.93
ELI LILLY & CO. COMMON STOCK	10,000	D	1940 VAR.	7/21/83	628,879.00	10,108.33	618,770.67	515,000.00	10,108.33	504,891.67	113,879.00
ELI LILLY & CO. COMMON STOCK	23,000	D	1940 VAR.	8/17/83	1,498,281.96	24,057.83	1,474,224.13	1,225,700.00	24,057.83	1,201,642.17	272,581.96
ELI LILLY & CO. COMMON STOCK	3,200	D	1940 VAR.	9/13/83	195,641.46	3,234.67	192,406.79	164,000.00	3,234.67	161,565.33	30,841.46
ELI LILLY & CO. COMMON STOCK	25,000	D	1940 VAR.	9/15/83	1,507,199.66	25,270.82	1,481,928.84	1,287,500.00	25,270.82	1,262,229.18	219,699.66
ELI LILLY & CO. COMMON STOCK	25,000	D	1940 VAR.	9/16/83	1,497,824.97	25,270.83	1,472,554.14	1,287,500.00	25,270.83	1,262,229.17	210,324.97
ELI LILLY & CO. COMMON STOCK	50,000	D	1940 VAR.	9/30/83	3,094,396.66	50,541.65	3,043,855.01	2,575,000.00	50,541.65	2,524,458.35	519,396.66
ELI LILLY & CO. COMMON STOCK	50,000	D	1940 VAR.	10/03/83	3,094,396.66	50,541.65	3,043,855.01	2,575,000.00	50,541.65	2,524,458.35	519,396.66
ELI LILLY & CO. COMMON STOCK	35,000	D	1940 VAR.	10/04/83	2,181,702.14	35,379.16	2,146,322.98	1,802,500.00	35,379.16	1,767,120.84	379,202.14
8.5% PUBLIC PC #16012 DUE 12/01/05	710,201.76	P	4/29/77	5/02/83	580,109.95	718,206.96	-130,177.01	0	0	0	-130,177.01
8.5% PUBLIC PC #16016 DUE 08/01/06	260,769.20	P	4/29/77	5/02/83	215,852.47	263,602.00	-47,749.53	0	0	0	-47,749.53
8% PUBLIC PC #16024 DUE 06/01/07	975,397.95	P	6/01/77	5/02/83	787,905.88	932,597.81	-144,691.93	0	0	0	-144,691.93
8% PUBLIC PC #16026 DUE 09/01/07	64,548.00	P	10/19/77	5/23/83	50,339.00	62,431.60	-12,092.60	0	0	0	-12,092.60
8.25% PUBLIC PC #16028 DUE 10/01/07	206,232.81	P	10/03/77	5/23/83	165,747.54	192,668.46	-26,920.92	0	0	0	-26,920.92
8.25% PUBLIC PC #16033 DUE 12/01/07	292,345.96	P	6/03/78	5/23/83	234,957.54	278,701.94	-43,744.40	0	0	0	-43,744.40
8.5% PUBLIC PC #16034 DUE 12/01/07	753,287.90	P	8/10/78	5/23/83	612,893.60	709,709.90	-96,816.30	0	0	0	-96,816.30
8.5% PUBLIC PC #16035 DUE 12/01/07	1,471,503.00	P	8/10/78	5/23/83	1,197,395.89	1,384,400.29	-187,004.40	0	0	0	-187,004.40
8.5% PUBLIC PC #16036 DUE 01/01/08	781,110.22	P	8/10/78	6/06/83	630,228.98	733,502.55	-103,273.57	0	0	0	-103,273.57
8.75% PUBLIC PC #16042 DUE 04/01/08	2,289,059.00	P	5/15/78	6/06/83	1,868,404.81	2,193,244.45	-324,839.64	0	0	0	-324,839.64
10% PUBLIC PC #16084 DUE 07/01/09	449,039.10	P	7/09/79	6/06/83	395,696.73	444,049.73	-48,353.00	0	0	0	-48,353.00
10.75% PUBLIC PC #16089 DUE 09/01/09	1,358,618.40	P	10/19/79	6/06/83	1,249,040.11	1,332,440.19	-83,400.08	0	0	0	-83,400.08
8.5% PUBLIC PC #17018 DUE 02/01/08	761,906.40	P	8/10/78	6/06/83	614,733.98	717,465.68	-102,731.70	0	0	0	-102,731.70
8.5% PUBLIC PC #17019 DUE 02/01/08	364,258.75	P	8/10/78	6/06/83	293,895.75	342,366.66	-48,470.91	0	0	0	-48,470.91
FIRST INTL. BANKSHARES FLOATING RATE NT. DUE 08/01/87	600,000.00	P	4/27/79	5/23/83	587,460.00	600,000.00	-12,540.00	0	0	0	-12,540.00
8.2% PUBLIC GUARANTEED MTGE. CERTIFICATE DUE 09/15/07	1,025,600.00	P	11/25/77	5/23/83	869,159.77	1,017,600.00	-148,440.23	0	0	0	-148,440.23
REAL ESTATE - 2700 NORTH MERIDIAN STREET	LAND	P	VAR.	11/15/83	549,131.00	406,251.90	142,879.10	0	0	0	142,879.10
					36,044,978.53	12,733,733.25	23,311,245.28	20,600,000.00	404,333.21	20,195,666.79	3,115,578.49

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PART III - BALANCE SHEETS

	Beginning of Taxable Year	End of Taxable Year
Line 22 - Other liabilities		
Net cash overdraft	$1,004,349	$ 423,672
Federal excise tax	797,000	849,000
Sundry	134,740	126,766
	$1,936,089	$1,399,438

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INVESTMENTS

December 31, 1983

Par Value		Cost	Approximate Market Value
	Corporate Notes:		
$ 4,000,000	General Motors Acceptance Corporation Extendable Note 10.17%, due July 15, 1984	$ 4,000,000	$ 3,970,000
2,500,000	Citicorp Floating Rate Note, 10.75%, due March 1, 1985	2,525,000	2,475,000
		6,525,000	6,445,000
	Total United States Government and Agency, Bank, and Corporate Interest-Bearing Obligations	59,368,058	59,266,096
175,000	Program-related investment	175,000	175,000
Shares			
12,359,480	Eli Lilly and Company Common Stock	91,345,351	643,774,414
	TOTAL INVESTMENTS	$150,888,409	$703,215,510
	Accrued interest purchased	186,954	186,954
		$151,075,363	$703,402,464