



Lincoln Community Foundation, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024



Lincoln Community Foundation, Inc.
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December 31, 2025 and 2024

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Independent Auditor's Report

The Board of Directors
Lincoln Community Foundation, Inc.
Lincoln, Nebraska

Opinion

We have audited the financial statements of Lincoln Community Foundation, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lincoln Community Foundation, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lincoln Community Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Community Foundation, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lincoln Community Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Community Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Lincoln, Nebraska
May 1, 2026**

Lincoln Community Foundation, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 49,480,761	\$ 39,348,872
Certificates of deposit	797,101	772,875
Investments	217,820,249	191,943,982
Stock in transit	45,352	1,204,680
Beneficial interest in charitable trusts	70,790	138,423
Unconditional promises to give	6,461,156	6,535,680
Mission investment loans	890,225	835,131
Estate gift receivable	2,132,602	4,299,640
Property held for resale	-	752,000
Receivables	4,240	3,516
Cash value of life insurance	1,448,378	1,933,633
Property and equipment, net	3,285,759	3,156,829
Total Assets	\$ 282,436,613	\$ 250,925,261
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,921,475	\$ 1,501,358
Annuities and trusts payable	141,928	142,175
Funds held for agencies	23,616,998	14,047,350
Total Liabilities	25,680,401	15,690,883
Net Assets		
Without donor restrictions		
Endowment	121,999,075	110,033,032
Available for grantmaking	109,118,708	101,917,779
Operating	15,964,574	14,029,913
With donor restrictions		
Available for grantmaking	576,733	505,044
Restricted to passage of time	9,097,122	8,748,610
Total Net Assets	256,756,212	235,234,378
Total Liabilities and Net Assets	\$ 282,436,613	\$ 250,925,261

Lincoln Community Foundation, Inc.
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions of cash or other financial assets	\$ 31,250,575	\$ 10,190,219	\$ 41,440,794	\$ 31,900,030	\$ 9,008,581	\$ 40,908,611
Contributions of nonfinancial assets	5,351	-	5,351	4,153,566	-	4,153,566
Investment performance, net	25,954,881	46,724	26,001,605	17,960,312	33,316	17,993,628
Change in value of split interest agreements	1,933	(167,887)	(165,954)	(2,319)	4,689	2,370
Other income	402,086	-	402,086	406,699	-	406,699
Net assets released from restrictions	9,648,855	(9,648,855)	-	9,123,786	(9,123,786)	-
Total Revenue and Support	67,263,681	420,201	67,683,882	63,542,074	(77,200)	63,464,874
EXPENSES						
Grants awarded and programs	34,187,811	-	34,187,811	24,079,374	-	24,079,374
Other program expenses	3,540,183	-	3,540,183	3,515,692	-	3,515,692
Management and general	1,102,122	-	1,102,122	1,025,541	-	1,025,541
Development and fundraising	700,279	-	700,279	654,770	-	654,770
Fund redesignation - change in donor intent	6,631,653	-	6,631,653	-	-	-
Total Expenses	46,162,048	-	46,162,048	29,275,377	-	29,275,377
Increase (Decrease) in Net Assets	21,101,633	420,201	21,521,834	34,266,697	(77,200)	34,189,497
Net Assets at Beginning of Year	225,980,724	9,253,654	235,234,378	191,714,027	9,330,854	201,044,881
Net Assets at End of Year	\$ 247,082,357	\$ 9,673,855	\$ 256,756,212	\$ 225,980,724	\$ 9,253,654	\$ 235,234,378

Lincoln Community Foundation, Inc.
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025						
	Program Services			Supporting Activities			
	Grants Awarded and Programs	Other Programs	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total
Grants awarded and programs	\$ 33,909,076	\$ -	\$ 33,909,076	\$ -	\$ -	\$ -	\$ 33,909,076
Personnel and benefits	208,378	739,046	947,424	802,742	576,964	1,379,706	2,327,130
Community outreach	-	168,160	168,160	29,740	39,341	69,081	237,241
Fiscal sponsorships	-	2,198,613	2,198,613	-	-	-	2,198,613
Staff development	5,486	14,305	19,791	20,229	11,527	31,756	51,547
Office expenses	26,350	68,715	95,065	124,848	55,367	180,215	275,280
Professional services	-	7,552	7,552	96,002	-	96,002	103,554
Building and occupancy	5,047	234,602	239,649	15,298	9,274	24,572	264,221
Depreciation	33,474	109,190	142,664	13,263	7,806	21,069	163,733
Total functional expenses	<u>\$ 34,187,811</u>	<u>\$ 3,540,183</u>	<u>\$ 37,727,994</u>	<u>\$ 1,102,122</u>	<u>\$ 700,279</u>	<u>\$ 1,802,401</u>	<u>\$ 39,530,395</u>
	2024						
	Program Services			Supporting Activities			
	Grants Awarded and Programs	Other Programs	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total
Grants awarded and programs	\$ 23,820,577	\$ -	\$ 23,820,577	\$ -	\$ -	\$ -	\$ 23,820,577
Personnel and benefits	190,977	681,401	872,378	735,707	528,783	1,264,490	2,136,868
Community outreach	-	171,521	171,521	31,125	47,921	79,046	250,567
Fiscal sponsorships	-	2,256,322	2,256,322	-	-	-	2,256,322
Staff development	5,020	13,090	18,110	18,509	10,547	29,056	47,166
Office expenses	25,034	65,281	90,315	101,061	52,601	153,662	243,977
Professional services	-	23,962	23,962	114,210	-	114,210	138,172
Building and occupancy	4,409	204,950	209,359	13,365	8,102	21,467	230,826
Depreciation	33,357	99,165	132,522	11,564	6,816	18,380	150,902
Total functional expenses	<u>\$ 24,079,374</u>	<u>\$ 3,515,692</u>	<u>\$ 27,595,066</u>	<u>\$ 1,025,541</u>	<u>\$ 654,770</u>	<u>\$ 1,680,311</u>	<u>\$ 29,275,377</u>

See Notes to Financial Statements

Lincoln Community Foundation, Inc.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 21,521,834	\$ 34,189,497
Items not requiring (providing) cash		
Depreciation	163,733	150,902
Net realized and unrealized gains on investments	(19,263,194)	(11,830,972)
Reinvested interest and dividends	(4,398,021)	(31,723)
Actuarial gain on annuities	22,554	21,478
Non-cash contributions	(19,574,992)	(12,563,681)
Change in donor intent	6,631,653	-
Changes in		
Beneficial interests in charitable trusts	67,633	(14,477)
Unconditional promises to give	74,524	(70,152)
Mission investment loans	(55,094)	282,434
Receivables	(724)	41,869
Cash surrender value of life insurance	485,255	171,191
Estate gift receivable	2,167,038	(215,166)
Accounts payable and accrued expenses	420,117	518,510
Agency funds payable	2,937,995	4,854,690
Net Cash Provided by (Used in) Operating Activities	(8,799,689)	15,504,400
Investing Activities		
Proceeds from sales and maturities of investments	26,111,097	44,450,650
Purchases of investments	(6,864,055)	(50,505,402)
Purchases of property and equipment	(292,663)	(439,709)
Net cash provided by (used in) investing activities	18,954,379	(6,494,461)
Financing Activities		
Payments on annuities and trusts	(22,801)	(30,301)
Net Cash Used in Financing Activities	(22,801)	(30,301)
Increase in Cash and Cash Equivalents	10,131,889	8,979,638
Cash and Cash Equivalents, Beginning of Year	39,348,872	30,369,234
Cash and Cash Equivalents, End of Year	\$ 49,480,761	\$ 39,348,872

Note 1. Summary Of Significant Accounting Policies

Nature of Operations

Lincoln Community Foundation, Inc. (the Foundation) was incorporated on April 11, 1955. The mission of the Foundation is to inspire the community to give, act and lead. The Foundation's revenues and other support are derived principally from contributions and its activities are conducted principally in the Lincoln, Nebraska area. The Foundation also owns and manages the Lincoln Community Foundation Building. The building is leased to non-profit organizations.

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 and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. The Foundation does not consider uninvested cash held in investment accounts as cash or cash equivalents. At December 31, 2025 and 2024, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2025, the Foundation's cash accounts exceeded federally insured limits by approximately \$735,000.

Investments

Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the statements of financial position. Investments in private equity funds and limited partnerships are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting in observable price changes in orderly transactions for identical or similar investments.

Net Investment Performance

Investment performance includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment performance is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at present value of estimated future cash flows. Based upon a review of outstanding unconditional promises receivable and historical collection information, management has deemed no allowance is necessary for credit losses.

Receivables

Receivables are stated at the amount management expects to collect from the balance outstanding at year-end. The Foundation does not charge interest on overdue account balances. Based on management's assessment of the credit history of the debtors having outstanding balances and the current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property and Equipment

Property and equipment are carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	5 to 40 years
Furniture, fixtures and equipment	3 to 7 years

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2025 or 2024.

Funds Held for Agencies

Funds established by an unrelated not-for-profit foundation using its own funds and for its own benefit are classified by the Foundation as a liability rather than as a net asset. The Foundation refers to these as agency funds.

Net Asset Classification

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With Donor Restrictions

Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions. Donor restricted net assets consist of split-interest agreements, unconditional promises to give, and restricted accounts.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e. the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue and with donor restrictions and then released from restriction.

Lincoln Community Foundation, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Program Fees

Fees charged to program users are recognized over time as the Foundation satisfies its performance obligations by transferring program benefits or services to users. The Foundation's primary user fees relate to investment management fees on endowed and non-endowed donor advised, discretionary, and scholarship funds as well as funds held for other agencies, in which program users simultaneously consume and receive benefits. Any program fees prepaid by users are accounted for as unearned until the Foundation satisfies its obligations to provide the related program benefit or services. Program fees are included under other income on the statements of activities.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the basis of time, effort and other methods.

Income Taxes

Lincoln Community Foundation, Inc. is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of the Foundation's exempt purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the years ended December 31, 2025 and 2024, the Foundation had approximately \$5,300 and \$3,000 of tax liability on unrelated business activity, respectively. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation's federal Returns of Foundation Exempt from Income Tax (Forms 990 and 990T) for December 31, 2025, 2024, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

Note 2. Unconditional Promises to Give

Unconditional promises to give consist of donor pledges due in the following periods:

	2025	2024
One to five years	\$ 50,000	\$ 50,000
Five to fifteen years	3,735,243	3,933,945
Fifteen to twenty-five years	4,175,603	3,946,822
More than twenty-five years	1,428,000	1,428,000
	9,388,846	9,358,767
Less discount for present value (rates of .6% to 7.4%)	(2,927,690)	(2,823,087)
	<u>\$ 6,461,156</u>	<u>\$ 6,535,680</u>

Unconditional promises to give are donor restricted due to the passage of time. The unconditional promises are determined to be fully collectible.

Note 3. Mission Investment Loans

The Foundation seeks to use up to 5% of its endowment portfolio to make loans to local entities to enhance initiatives that are consistent with the Foundation's mission. These loans are often made where traditional financing may not be available and at interest rates less than the current market borrowing rate. Where possible, the loans are secured by certain assets of the borrower. Mission investment loans outstanding consisted of the following:

	<u>2025</u>	<u>2024</u>
(a) Note receivable	\$ 219,725	\$ 224,631
(b) Note receivable	-	390,000
(c) Note receivable	60,500	60,500
(d) Note receivable	<u>610,000</u>	<u>160,000</u>
	<u>\$ 890,225</u>	<u>\$ 835,131</u>

- a) The mission investment loan program originates from a \$300,000 mission investment loan to a not-for-profit corporation. The note calls for 27 equal quarterly installment payments of \$5,000 including 3% interest commencing on July 1, 2017 through April 1, 2024, at which time all unpaid principal and interest is due. The loan was restructured in 2024 with a new maturity of December 1, 2025, as well as in 2025, with a new maturity of December 1, 2026. The loan is secured by a deed of trust.
- b) Mission investment loan for the purchase of land for development. Original amount \$390,000 including 3% interest. Principal and interest due at maturity on March 15, 2024. The loan was restructured in 2024 to extend the maturity date to December 1, 2025. The loan was paid in full in December 2025.
- c) Mission investment loan for the purchase of land for development of mixed income housing. Original amount \$155,000 with interest only payments due quarterly. The interest rate is 3%. Principal and any unpaid interest is due on January 1, 2028. As of December 31, 2025, \$60,500 has been funded, with \$94,500 remaining committed.
- d) Mission investment loan for the development of affordable housing, with a line of credit up to \$1,000,000. The interest rate is 3%. Principal and any unpaid interest is due August 31, 2028. As of December 31, 2025, \$610,000 has been funded with \$390,000 remaining committed.

Future minimum loan receipts for the years following December 31, 2025 are:

2026	\$ 219,725
2027	-
2028	<u>670,500</u>
	<u>\$ 890,225</u>

The Foundation has committed \$484,500 in future mission loans as of December 31, 2025.

Lincoln Community Foundation, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

Note 4. Investments

Investments consist of the following:

	2025		2024	
	Cost	Market	Cost	Market
Marketable securities				
Domestic bonds	\$ 1,076,270	\$ 1,094,575	\$ 1,051,470	\$ 1,054,902
Asset backed securities	651,050	667,744	829,700	852,723
Common stocks	30,850,330	39,086,548	26,444,175	32,914,252
Equity and fixed income mutual funds	149,470,548	172,315,944	142,552,653	151,960,198
	<u>182,048,198</u>	<u>213,164,811</u>	<u>170,877,998</u>	<u>186,782,075</u>
Non marketable securities				
Alternatives	5,279,399	4,655,438	5,053,583	5,161,907
	<u>\$ 187,327,597</u>	<u>\$ 217,820,249</u>	<u>\$ 175,931,581</u>	<u>\$ 191,943,982</u>

Investment performance consists of the following:

	2025	2024
Investment performance		
Dividends and interest	\$ 8,069,022	\$ 6,926,134
Realized and unrealized gains	18,191,512	11,213,195
less investment expenses	<u>(258,929)</u>	<u>(145,701)</u>
Net investment performance	<u>\$ 26,001,605</u>	<u>\$ 17,993,628</u>

Note 5. Fair Value of Assets and Liabilities

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. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- 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 that are significant to the fair value of the assets or liabilities

Lincoln Community Foundation, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying 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, 2025 and 2024:

2025	Value	Fair Value Measurements Using				Investments Measured at NAV ^(A)
		Quoted Prices in Active Markets for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments						
Common stocks						
Domestic	\$ 38,399,415	\$ 38,399,415	\$ -	\$ -	\$ -	-
International	687,133	687,133	-	-	-	-
Mutual funds, equities						
Domestic	84,061,645	84,061,645	-	-	-	-
Emerging markets	28,516,372	28,516,372	-	-	-	-
International	8,259,700	8,259,700	-	-	-	-
Mutual funds, fixed income						
Corporate and domestic bonds	51,331,494	51,331,494	-	-	-	-
High yield	89,136	89,136	-	-	-	-
Inflation protection	57,597	57,597	-	-	-	-
Fixed Income						
Domestic bonds	1,094,575	-	1,094,575	-	-	-
Asset backed securities	667,744	-	667,744	-	-	-
Private equity	2,206,000	-	-	2,206,000	-	-
Investments measured at NAV						
Commodity limited partnerships	114,169	-	-	-	-	114,169
Private equity	2,335,269	-	-	-	-	2,335,269
Total investments	<u>\$ 217,820,249</u>	<u>\$ 211,402,492</u>	<u>\$ 1,762,319</u>	<u>\$ 2,206,000</u>	<u>\$ 2,449,438</u>	
Beneficial interest in charitable trusts	<u>\$ 70,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,790</u>	<u>\$ -</u>	
Annuities and trust payable	\$ 141,928	\$ -	\$ -	\$ 141,928	\$ -	

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Notes to Financial Statements
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	2024	Fair Value Measurements Using				Investments Measured at NAV ^(A)
		Value	Quoted Prices	Significant	Significant	
			in Active Markets for Identical Assets (Liabilities) (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Investments						
Common stocks						
Domestic	\$ 32,464,563	\$ 32,464,563	\$ -	\$ -	\$ -	
International	449,689	449,689	-	-	-	
Mutual funds, equities						
Domestic	76,517,147	76,517,147	-	-	-	
Emerging markets	22,335,636	22,335,636	-	-	-	
International	6,690,456	6,690,456	-	-	-	
Mutual funds, fixed income						
Corporate and domestic bonds	46,278,056	46,278,056	-	-	-	
High yield	82,516	82,516	-	-	-	
Inflation protection	56,387	56,387	-	-	-	
Fixed Income						
Domestic bonds	1,054,902	-	1,054,902	-	-	
Asset backed securities	852,723	-	852,723	-	-	
Private equity	2,206,000	-	-	2,206,000	-	
Investments measured at NAV						
Commodity limited partnerships	551,465	-	-	-	551,465	
Private equity	2,404,442	-	-	-	2,404,442	
Total investments	\$ 191,943,982	\$ 184,874,450	\$ 1,907,625	\$ 2,206,000	\$ 2,955,907	
Beneficial interest in charitable trusts	\$ 138,423	\$ -	\$ -	\$ 138,423	\$ -	
Annuities and trust payable	\$ 142,175	\$ -	\$ -	\$ 142,175	\$ -	

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Level 3 private equity investment is recorded at fair value determined using book value of equity in the company based on internal financial statements. There were no purchases or sales in 2025 or 2024.

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Alternative Investments

The fair value of alternative investments that have been estimated using the net asset value per share as a practical expedient consist of the following:

December 31, 2025				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds (A)	\$ 2,335,269	\$ 8,529	N/A, Board Discretion	N/A
Commodity Limited Partnerships (B)	114,169	795,153	N/A, Board Discretion	N/A
Total	<u>\$ 2,449,438</u>	<u>\$ 803,682</u>		

December 31, 2024				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds (A)	\$ 2,404,442	\$ 210,614	N/A, Board Discretion	N/A
Commodity Limited Partnerships (B)	551,465	825,036	N/A, Board Discretion	N/A
Total	<u>\$ 2,955,907</u>	<u>\$ 1,035,650</u>		

(A) This category of fund employs a variety of investment styles and strategies which focus primarily on investing in diversified portfolios of private equity investments. These funds invest in specific industries, emerging markets and also focus on theme-based investments at discounted prices. The fair value of the investments in this category have primarily been estimated using net asset value per share. The companies have no set terms and partners are not permitted to withdraw their investment. Distributions are at the discretion of the general partner.

(B) This category of fund employs a variety of investment strategies which primarily include energy, real estate and natural resources. The fair value of the investments in this category have primarily been estimated using net asset value per share. The partnership will end one year after all underlying investments have been disposed. Investors cannot request redemptions and all fund distributions are at the discretion of the underlying fund manager and the terms of that fund.

Beneficial Interest in Charitable Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

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Annuities and Trust Payable

Valued using the estimated present value of the annuity obligation. The Foundation has elected the fair value option for measuring annuity obligations. The discount rate of 4.6% and 5.0% (2025 and 2024, respectively) and the actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables are updated each period the obligations are valued. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Note 6. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 49,480,761	\$ 39,348,872
Certificates of deposit	797,101	772,875
Short term investments	6,774,199	6,303,990
Receivables	4,240	3,516
Long term investments made available for current use	6,178,827	5,925,587
	<u>\$ 63,235,128</u>	<u>\$ 52,354,840</u>

The endowment funds consist of funds designated by the board as endowments.

The board designated endowment of \$121,999,075 is subject to an annual spending rate of 5.00%. Annual spending is intended to be used for grant making and other program services as part of the Board's annual budget approval and appropriation.

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$15,964,574 as of December 31, 2025. The operating reserve is a board-designated fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Note 7. Property and Equipment

Property and equipment consists of:

	2025	2024
Land	\$ 641,294	\$ 641,294
Buildings and improvements	6,945,126	6,696,979
Furniture, fixtures & equipment	463,480	418,964
	<u>8,049,900</u>	<u>7,757,237</u>
Less accumulated depreciation	<u>(4,764,141)</u>	<u>(4,600,408)</u>
	<u><u>\$ 3,285,759</u></u>	<u><u>\$ 3,156,829</u></u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$163,733 and \$150,902, respectively.

Note 8. Split Interest Agreements

The Foundation has entered into irrevocable agreements (split-interest agreements) with donors where, in exchange for a gift from the donor, the Foundation provides an annuity to the donor or other designated beneficiaries for a specific period of time, usually the life of the donor.

A liability is recognized for the estimated present value of the annuity obligation and the contributed assets are recorded at their gross market value. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service (IRS) guidelines and actuarial tables. The discount rate used was 5.0% for the years ended December 31, 2025 and 2024. The amount of the liability is adjusted annually in accordance with the IRS actuarial tables and a gain or loss is recorded to reflect the change in value.

For agreements where the Foundation is not the trustee, the Foundation has recorded an asset as a beneficial interest in charitable trusts.

The Foundation did not recognize any new annuity contributions for the years ended December 31, 2025 and 2024, respectively.

If a gift annuity has a projected liability greater than the gift annuity's assets, the excess liability is the Foundation's and is recorded as a negative unrestricted net asset. For the years ended December 31, 2025 and 2024, there was \$16,552 and \$21,855, respectively, of negative equity related to annuities in this situation.

Assets of the Foundation, as derived from split interest agreements, are as follows:

	2025	2024
Assets included in investments and cash	\$ 289,495	\$ 555,703
Beneficial interest in charitable trusts	\$ 70,790	\$ 138,423

Note 9. Unconditional Promises to Give to Others

Unconditional promises to give to others at December 31, 2025 consists of multi-year grants due in the following years:

2026	\$	550,000
2027		170,000
2028		80,000
		800,000
Less discount for present value (rate of 5.00%)		
		15,533
Unconditional promises to give to others	\$	<u><u>784,467</u></u>

Unconditional promises to give to others are included in accounts payable and accrued expenses on the statements of financial position.

Note 10. Transactions In Funds Held for Agencies

Transactions in funds held for agencies are summarized as follows:

	<u>2025</u>	<u>2024</u>
Additions		
Contributions	\$ 1,152,665	\$ 3,934,437
Investment performance, net	2,679,512	1,124,774
Transfer due to change in donor intent	6,631,653	-
	10,463,830	5,059,211
Deductions		
Grants	(793,486)	(141,834)
Administrative fees	(100,696)	(62,687)
	(894,182)	(204,521)
Net change	9,569,648	4,854,690
Funds held for agencies, beginning of year		
	14,047,350	9,192,660
Funds held for agencies, end of year	<u><u>\$ 23,616,998</u></u>	<u><u>\$ 14,047,350</u></u>

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Note 11. Net Assets

Net assets comprise the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment funds			
Advised and designated	\$ 69,463,903	\$ -	\$ 69,463,903
Discretionary	39,537,620	-	39,537,620
Scholarship	12,997,552	-	12,997,552
	<u>121,999,075</u>	<u>-</u>	<u>121,999,075</u>
Nonendowed funds			
Advised and designated	103,707,569	576,733	104,284,302
Discretionary	5,405,939	-	5,405,939
Scholarship	5,200	-	5,200
Operating	15,964,574	-	15,964,574
	<u>125,083,282</u>	<u>576,733</u>	<u>125,660,015</u>
Restricted to passage of time			
Donor promises to give	-	6,461,156	6,461,156
Split interest agreements	-	2,635,966	2,635,966
	<u>-</u>	<u>9,097,122</u>	<u>9,097,122</u>
Total net assets	<u>\$ 247,082,357</u>	<u>\$ 9,673,855</u>	<u>\$ 256,756,212</u>

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	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment funds			
Advised and designated	\$ 62,451,570	\$ -	\$ 62,451,570
Discretionary	35,917,693	-	35,917,693
Scholarship	11,663,769	-	11,663,769
	<u>110,033,032</u>	<u>-</u>	<u>110,033,032</u>
Nonendowed funds			
Advised and designated	98,897,348	505,044	99,402,392
Discretionary	3,018,231	-	3,018,231
Scholarship	2,200	-	2,200
Operating	14,029,913	-	14,029,913
	<u>115,947,692</u>	<u>505,044</u>	<u>116,452,736</u>
Restricted to passage of time			
Donor promises to give	-	6,535,680	6,535,680
Split interest agreements	-	2,212,930	2,212,930
	<u>-</u>	<u>8,748,610</u>	<u>8,748,610</u>
Total net assets	<u>\$ 225,980,724</u>	<u>\$ 9,253,654</u>	<u>\$ 235,234,378</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions	\$ 8,818,063	\$ 8,562,789
Distributions (proceeds are not restricted by donors)		
Assets held under split-interest agreements	<u>830,792</u>	<u>560,997</u>
	<u>\$ 9,648,855</u>	<u>\$ 9,123,786</u>

Note 12. Intentions to Give

The Foundation has received indications of gifts in the form of bequests which are revocable during the donors' lifetime or irrevocable for which a donation amount cannot be determined. Due to the uncertain nature of these intentions, the Foundation has not recognized a promise to give or contribution revenue for these gifts.

Note 13. Endowments

The Foundation's governing body is subject to the State of Nebraska Prudent Management of Institutional Funds Act (NPMIFA).

The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation's net assets do not meet the definition of "endowment" under NPMIFA. The Foundation is governed subject to the Governing Documents of the Foundation and most contributions are subject to the terms of the Governing Documents, including the Foundation's payout policy.

Under the terms of the Governing Documents, the Board of Directors has the ability to distribute as much of the principal of the funds as the board in its sole discretion shall determine. In accordance with NPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The Foundation's investment and spending policies, which have been approved by the Foundation's Board of Directors, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to achieve a total return (net of inflation and expenses) that is at least as great as the spending supported by the portfolio, so that the purchasing power of the portfolio does not decline over time. The Foundation utilizes an asset allocation model of 75% equity and 25% fixed income.

To satisfy its long-term return objectives, the Foundation utilizes a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy determines the amount of money distributable from the Foundation's various endowment funds for grant making, taking into account administrative costs. The spending rate allowed distributions for grant making at 5.00% of the sixteen-quarter net asset fund balance average for the years ended December 31, 2025 and 2024. The spending rate is approved by the board of directors annually in order to take into account the effect of recent investment returns and long-term investment returns.

All endowment net assets relate to board designated endowment funds for which the Foundation has the ability to distribute principal subject to a spending policy, and is managing the funds in accordance with the investment policy to allow the funds to maintain their purchasing power and fulfill the Foundation's purpose.

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Changes in endowment net assets for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Balance, January 1	\$ 110,033,032	\$ 90,613,746
Contributions	2,808,062	13,124,473
Investment performance, net	15,616,400	11,722,573
Appropriated for expenditure	<u>(6,458,419)</u>	<u>(5,427,760)</u>
Net change	<u>11,966,043</u>	<u>19,419,286</u>
Balance, December 31	<u><u>\$ 121,999,075</u></u>	<u><u>\$ 110,033,032</u></u>

Note 14. Leases

At inception, the Foundation determines if a contract is or includes a lease arrangement. The Foundation's lease arrangements include office space within their own building. The following describes the Foundation's accounting policies related to its leasing arrangements:

As lessor

Operating Leases

Under operating lease arrangements, the Foundation recognizes the underlying asset on its statements of financial position (cost of approximately \$3,823,000 as of December 31, 2025 and 2024) and recognizes income and initial direct costs expense generally on a straight-line basis over the lease term. The Foundation accounts for utilities and maintenance as part of the monthly lease billing, recognized as revenue on a straight-line basis over the lease term.

The Foundation has entered into lease agreements for office space. The leases with various non-profit organizations expire through 2028, with options to extend.

The financial statements include rent income of \$308,296 and \$303,923 for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease revenues for the years following December 31, 2025 are:

2026	\$ 253,536
2027	130,787
2028	<u>87,940</u>
	<u><u>\$ 472,263</u></u>

Note 15. Retirement Plan

The Foundation has a Safe Harbor 401(k) Plan covering eligible employees. The plan provides for matching contributions, approved by the Board of Directors annually. The Foundation contributed \$97,155 and \$96,666 to the retirement plan for the years ended December 31, 2025 and 2024, respectively.

Note 16. Deferred Compensation

The Foundation entered into a deferred compensation agreement with the Foundation's former President. The Foundation will determine an annual accrual intended to be equal to 10% of the President's base compensation for five years beginning January 1, 2015. The accruals will earn interest equal to the annual endowment performance but not less than zero until the agreement vested on January 1, 2020. Once vested, the President can receive the benefits in equal quarterly installments over five years from the date of retirement, over which time the deferred amount will continue to earn interest. The Foundation recognized expense of \$7,488 and \$11,712 for the years ended December 31, 2025 and 2024, respectively, under the agreement.

Note 17. 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 24% of all contributions were received from two donors in 2025. Approximately 38% of all contributions were received from three donors in 2024.

General Litigation

The Foundation is subject to claims and lawsuits that may arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Foundation. Events could occur that would change this estimate materially in the near term.

Investments

The Foundation invests in various 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 that such changes could materially affect the amounts reported in the accompanying statements of financial position.

At December 31, 2025 and 2024, approximately 11% and 10% of all investments were in one international mutual equity fund, respectively.

Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of checking, money market, and certificate of deposit accounts at financial institutions.

Note 18. Related Party

As of December 31, 2025 and 2024, approximately 7% and 5% of investments are held in domestic common stock at an organization with a related party.

Note 19. Contributed Nonfinancial Assets

For the year ended December 31, 2025, the Foundation received nonfinancial assets of \$5,351 that consisted of contributed services and gold coins. For the year ended December 31, 2024, the Foundation received nonfinancial assets as a beneficiary of a trust agreement that expired in 2024. Two parcels of agricultural land and property were valued at approximately \$4,149,000. It is the Foundation's policy to sell all contributed nonfinancial assets immediately upon receipt or shortly thereafter. As of December 31, 2024, all contributed nonfinancial assets were held by the Foundation and reported on the Statement of Financial Position as estate gift receivable and property held for resale. The contribution amounts recorded in the statements of activities are based on the fair value determined from an independent appraisal. Contributed nonfinancial assets did not have donor-imposed restrictions and were sold in the year ended December 31, 2025.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Note 20. Subsequent Events

Subsequent events have been evaluated through May 1, 2026, the date that the financial statements were available to be issued.