

***Lincoln Community Foundation, Inc.
and Controlled Organization
Lincoln, Nebraska***

December 31, 2015 and 2014

***Consolidated Financial Statements
and
Report of Independent Certified Public Accountants***

Lincoln Community Foundation, Inc. and Controlled Organization

Years ended December 31, 2015 and 2014

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Lincoln Community Foundation, Inc. and Controlled Organization
Lincoln, Nebraska

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Community Foundation, Inc. and Controlled Organization as of December 31, 2015 and 2014 and the changes in their net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities, consolidated statement of financial position by fund, and consolidated statement of activities by fund on pages 23-26 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

HBE Becker Meyer Love LLP

May 11, 2016

Becker Meyer Love LLP
Certified Public Accountants & Consultants

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents (note A)	\$ 4,394,085	\$ 9,323,611
Certificates of deposit	4,785,176	5,273,635
Investments (notes A, C and D)	85,980,741	85,601,788
Stocks in transit (note D)	109,858	154,441
Beneficial interests in charitable trusts (notes D and F)	245,362	260,214
Unconditional promises to give (notes A, B and D)	3,559,842	3,316,373
Receivables (notes A and B)	223,233	3,568,462
Cash surrender value of life insurance	2,575,309	2,566,972
Property and equipment (notes A and E)	<u>3,327,799</u>	<u>3,446,293</u>
 Total assets	 <u>\$ 105,201,405</u>	 <u>\$ 113,511,789</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 592,925	\$ 493,333
Annuities and trusts payable (notes D and F)	635,311	714,662
Funds held for agencies (note G)	<u>3,643,443</u>	<u>2,913,065</u>
 Total liabilities	 <u>4,871,679</u>	 <u>4,121,060</u>
 NET ASSETS (note A)		
Unrestricted	93,406,051	101,954,152
Temporarily restricted (note H)	<u>6,923,675</u>	<u>7,436,577</u>
 Total net assets	 <u>100,329,726</u>	 <u>109,390,729</u>
 Total liabilities and net assets	 <u>\$ 105,201,405</u>	 <u>\$ 113,511,789</u>

See accompanying notes to consolidated financial statements.

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31,

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Contributions	\$ 4,768,338	\$ 4,201,527	\$ 8,969,865	\$ 15,162,705	\$ 3,819,547	\$ 18,982,252
Investment performance (note C)	(3,672,676)	(13,635)	(3,686,311)	3,551,022	34,176	3,585,198
Change in value of split-interest agreements	6,216	106,022	112,238	6,577	115,293	121,870
Other income	356,851	-	356,851	320,443	-	320,443
Net assets released from restrictions	4,806,816	(4,806,816)	-	7,231,755	(7,231,755)	-
Total revenue and support	6,265,545	(512,902)	5,752,643	26,272,502	(3,262,739)	23,009,763
DISTRIBUTIONS						
Grants	11,706,355	-	11,706,355	8,269,103	-	8,269,103
Fiscal sponsorships	302,413	-	302,413	127,803	-	127,803
Mission initiatives	300,957	-	300,957	132,302	-	132,302
Total distributions	12,309,725	-	12,309,725	8,529,208	-	8,529,208
OTHER EXPENSES						
Investment expenses	91,705	-	91,705	88,684	-	88,684
Personnel and fringe benefits	1,280,152	-	1,280,152	1,164,937	-	1,164,937
Other expenses	884,046	-	884,046	867,915	-	867,915
Depreciation	248,018	-	248,018	285,293	-	285,293
Total other expenses	2,503,921	-	2,503,921	2,406,829	-	2,406,829
Total expenses (note M)	14,813,646	-	14,813,646	10,936,037	-	10,936,037
Increase (decrease) in net assets	(8,548,101)	(512,902)	(9,061,003)	15,336,465	(3,262,739)	12,073,726
Net assets at beginning of year	101,954,152	7,436,577	109,390,729	86,617,687	10,699,316	97,317,003
Net assets at end of year	\$ 93,406,051	\$ 6,923,675	\$ 100,329,726	\$ 101,954,152	\$ 7,436,577	\$ 109,390,729

See accompanying notes to consolidated financial statements.

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Cash received from revenue and support	\$ 12,156,438	\$ 15,528,896
Cash paid to employees and vendors	(2,108,715)	(2,082,259)
Cash paid as disbursements	(12,275,463)	(8,567,495)
Investment income received	<u>1,096,530</u>	<u>1,178,675</u>
Net cash provided (used) by operating activities	<u>(1,131,210)</u>	<u>6,057,817</u>
Cash flows from investing activities		
Proceeds from certificates of deposit	-	526,872
Purchases of certificates of deposit	-	(1,305,000)
Proceeds from sale of investments	7,041,749	11,085,381
Purchases of investments	(10,628,684)	(16,187,208)
Purchase of property and equipment	<u>(129,523)</u>	<u>(45,636)</u>
Net cash used by investing activities	<u>(3,716,458)</u>	<u>(5,925,591)</u>
Cash flows from financing activities		
Payments on annuities and trusts payable	<u>(81,858)</u>	<u>(84,485)</u>
Net increase (decrease) in cash and cash equivalents	(4,929,526)	47,741
Cash and cash equivalents at beginning of year	<u>9,323,611</u>	<u>9,275,870</u>
Cash and cash equivalents at end of year	<u>\$ 4,394,085</u>	<u>\$ 9,323,611</u>
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities		
Increase (decrease) in net assets	<u>\$ (9,061,003)</u>	<u>\$ 12,073,726</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	248,018	285,293
Realized and unrealized gains (losses) on investments	7,139,769	(1,091,812)
Reinvested interest and dividends	(2,402,016)	(1,343,100)
Actuarial loss on annuities	55,500	43,067
Non-cash contributions	(349,076)	-
(Increase) decrease in assets		
Stocks in transit	44,583	(122,622)
Unconditional promises to give	(243,469)	(252,445)
Receivables	3,345,229	(3,398,732)
Cash surrender value of life insurance	(8,337)	(52,063)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	<u>99,592</u>	<u>(83,495)</u>
Total adjustments to increase (decrease) in net assets	<u>7,929,793</u>	<u>(6,015,909)</u>
Net cash provided (used) by operating activities	<u>\$ (1,131,210)</u>	<u>\$ 6,057,817</u>

See accompanying notes to consolidated financial statements.

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Lincoln Community Foundation, Inc. (the Foundation) was incorporated on April 11, 1955. The mission of the Foundation is to provide leadership and resources to help build a great city. The Foundation also owns and manages the Lincoln Community Foundation Building. The building is leased to tax-exempt organizations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting. The accompanying consolidated financial statements have been prepared on the accrual method of accounting.

Principles of Consolidation. The financial statements include the accounts and operations of the Foundation and its controlled organization, Lincoln Foundation Donor Directed Depository, Inc. Lincoln Foundation Donor Directed Depository, Inc. has the same board as the Foundation's board. All material intercompany accounts and transactions have been eliminated in consolidation.

Net Asset Classification. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets. Net assets that are not subject to donor-imposed restrictions or for which the Foundation has variance power. Restricted net assets are reclassified to this category when the restrictions are met.

Temporarily restricted net assets. Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a time or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

Permanently restricted net assets. Net assets, including contributions and any portion of investment income and appreciation that may not be spent pursuant to donor-imposed restrictions. There were no permanently restricted net assets at December 31, 2015 and 2014.

In August 2008, the Financial Accounting Standards Board issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA were also improved.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Foundation adopted the Financial Accounting Standards Board's guidance and required disclosures for the year ended December 31, 2008. 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 UPMIFA. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Asset Classification - Continued. 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 UPMIFA, the Organization 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 Organization 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 Organization
- 7) The investment policies of the Organization

As a result of the ability to distribute principal, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement reporting purposes. Temporarily restricted net assets consist of split-interest agreements, unconditional promises to give, and donor-directed depository accounts. The Foundation currently holds no funds considered to be permanently restricted. Thus, all other funds are classified as unrestricted.

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 63% equity, 30% fixed income, and 7% hard assets.

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 4.5% of the sixteen-quarter net asset fund balance average for both years ended December 31, 2015 and 2014. The Board approved payout rate for 2015 and 2014 was also 4.5% for both years. 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.

Cash and Cash Equivalents. For purposes of the consolidated statements of financial position, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be temporary cash investments.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 and Depreciation. 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 \$500. Buildings and improvements are depreciated over estimated lives of five to forty years. Furniture, fixtures and equipment are depreciated over estimated lives of three to seven years.

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 receivables and historical collection information, management has deemed no allowance is necessary for doubtful accounts.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Fair Value Measurements. The Financial Accounting Standards Board has issued guidance defining fair value, establishing a framework for measuring fair value and expanding disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Advertising Costs. The Foundation expenses advertising costs when incurred. The accompanying consolidated financial statements include advertising expense of \$120,002 and \$127,668 for the years ended December 31, 2015 and 2014, respectively.

Income Taxes. Lincoln Community Foundation, Inc. and Lincoln Foundation Donor Directed Depository, Inc. are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of the organizations' exempt purposes is not subject to income tax. Any income earned through activities not related to the organizations' exempt purposes is subject to income tax at normal corporate rates. For the years ended December 31, 2015 and 2014, there was no tax liability on unrelated business activity. The Foundations believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

Use of Estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - UNCONDITIONAL PROMISES TO GIVE AND RECEIVABLES

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

	2015	2014
Less than one year	\$ 35,000	\$ 10,000
One to five years	167,628	86,000
Five to fifteen years	326,056	684,898
Fifteen to twenty-five years	2,966,395	2,742,247
More than twenty-five years	2,018,127	1,425,721
	5,513,206	4,948,866
Less discount to present value (1.2% to 7.4%)	(1,953,364)	(1,632,493)
	<u>\$ 3,559,842</u>	<u>\$ 3,316,373</u>

Receivables consist of:

Note receivable, bequest	\$ 8,394	\$ 12,021
Notes receivable, program	118,214	123,214
Estate receivables	71,332	3,391,832
Receivable from tenants	6,259	41,395
Receivable from mission initiative	19,034	-
	<u>\$ 223,233</u>	<u>\$ 3,568,462</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - UNCONDITIONAL PROMISES TO GIVE AND RECEIVABLES - CONTINUED

The note receivable, bequest originates from a bequest from an individual from the sale of land. Annual payments of \$17,320 including 5% interest are due through 2019.

The notes receivable, program as of December 31, 2015 consists of five notes each with an original amount of \$30,000 to be used for the purpose of financing microloans made by the borrower. Accrued interest is due each calendar quarter at a rate of 1.5% per annum. Annual principal installments are to be paid in 2015 through 2017. These loans were made from a donor advised fund.

NOTE C - INVESTMENTS

Investments consist of the following:

	2015	
	<u>Cost</u>	<u>Market</u>
Marketable securities:		
U.S. Government bonds	\$ 4,143,421	\$ 4,403,620
Municipal and local bonds	11,611,323	12,409,290
Corporate bonds	3,272,162	3,215,585
Auction rate securities	1,461,563	1,389,734
Common stocks	10,104,713	8,896,130
Equity and fixed-income funds	<u>45,779,789</u>	<u>53,727,439</u>
	76,372,971	84,041,798
Nonmarketable securities:		
Alternative investments	<u>1,223,143</u>	<u>1,938,943</u>
	<u>\$ 77,596,114</u>	<u>\$ 85,980,741</u>
	2014	
	<u>Cost</u>	<u>Market</u>
Marketable securities:		
U.S. Government bonds	\$ 6,521,327	\$ 6,738,917
Municipal and local bonds	9,315,367	9,590,902
Corporate bonds	4,499,445	4,470,371
Common stocks	7,995,488	9,013,486
Equity and fixed-income funds	<u>41,036,062</u>	<u>53,230,646</u>
	69,367,689	83,044,322
Nonmarketable securities:		
Alternative investments	<u>1,702,523</u>	<u>2,557,466</u>
	<u>\$ 71,070,212</u>	<u>\$ 85,601,788</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - INVESTMENTS - CONTINUED

Investment performance consists of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 3,453,458	\$ 2,493,386
Net realized and unrealized gains (losses)	<u>(7,139,769)</u>	<u>1,091,812</u>
	<u>\$ (3,686,311)</u>	<u>\$ 3,585,198</u>

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended December 31, 2015 and 2014.

Common stock and preferred stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by the Foundation at year end.

U.S. government and agency obligations: Valued using independent pricing models.

Corporate bonds: Valued using independent pricing models.

Municipal and local bonds: Valued using independent pricing models.

Auction rate securities: Valued using independent pricing models.

Alternative investments: Valued based on the value of the underlying assets.

Stocks in transit: Valued at the closing price reported on the active market on which the individual securities are traded.

Unconditional promises to give: Valued using the estimated present value of future cash flows at historical discount rates.

Estate receivables: Valued at the fair market value of the underlying assets less settlement costs.

Annuity agreements: 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 2% (2015 and 2014) 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.

Beneficial interest in charitable trusts: Valued at the fair market value of the trust based on the underlying assets less the estimated present value of the annuity obligation.

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES - CONTINUED

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis at December 31, 2015.

<u>December 31, 2015</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Common stocks	\$ 8,896,130	\$ 8,896,130	\$ -	\$ -
Mutual funds - equities				
U.S. core	13,084,555	13,084,555	-	-
U.S. large cap	3,851,538	3,851,538	-	-
U.S. small cap	11,176,027	11,176,027	-	-
U.S. emerging markets	2,708,992	2,708,992	-	-
U.S. real estate	2,811,097	2,811,097	-	-
International	17,417,169	17,417,169	-	-
Mutual funds - balanced				
U.S.	186,832	186,832	-	-
Global	1,344,197	1,344,197	-	-
Mutual funds - fixed income	1,147,032	1,147,032	-	-
U.S. Government bonds	4,403,620	-	4,403,620	-
Corporate bonds				
AA rating	526,047	-	526,047	-
A rating	1,876,722	-	1,876,722	-
BBB rating	812,816	-	812,816	-
Municipal and local bonds				
AAA rating	2,752,983	-	2,752,983	-
AA rating	9,656,307	-	9,656,307	-
Auction rate securities	1,389,734	-	1,389,734	-
Alternative investment funds				
Commodity limited partnerships	1,450,317	-	-	1,450,317
Index funds	488,626	-	-	488,626
Total investments	<u>\$ 85,980,741</u>	<u>\$ 62,623,569</u>	<u>\$ 21,418,229</u>	<u>\$ 1,938,943</u>
Stocks in transit:				
Common stocks:				
Financial	\$ 23,480	\$ 23,480	\$ -	\$ -
Industrial	23,975	23,975	-	-
Closely held	62,403	62,403	-	-
Total stocks in transit	<u>\$ 109,858</u>	<u>\$ 109,858</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in charitable trusts	<u>\$ 245,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,362</u>
Unconditional promises to give receivable	<u>\$ 3,559,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,559,842</u>
Estate receivables	<u>\$ 71,332</u>	<u>\$ 71,332</u>	<u>\$ -</u>	<u>\$ -</u>
Annuities and trust payable	<u>\$ 635,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 635,311</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES - CONTINUED

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis at December 31, 2014.

<u>December 31, 2014</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Common stocks	\$ 9,013,486	\$ 9,013,486	\$ -	\$ -
Preferred stocks	386,640	386,640	-	-
Mutual funds - equities				
U.S. core	12,568,697	12,568,697	-	-
U.S. large cap	3,820,755	3,820,755	-	-
U.S. small cap	11,645,019	11,645,019	-	-
U.S. emerging markets	2,770,323	2,770,323	-	-
U.S. real estate	2,710,758	2,710,758	-	-
International	16,665,977	16,665,977	-	-
Mutual funds - balanced				
U.S.	174,426	174,426	-	-
Global	1,350,998	1,350,998	-	-
Mutual funds - fixed income	1,137,053	1,137,053	-	-
U.S. Government bonds	6,738,917	-	6,738,917	-
Corporate bonds				
AA rating	407,356	-	407,356	-
A rating	4,063,015	-	4,063,015	-
Municipal and local bonds				
AAA rating	961,375	-	961,375	-
AA rating	8,629,527	-	8,629,527	-
Alternative investment funds				
Commodity limited partnerships	1,944,732	-	-	1,944,732
Index funds	612,734	-	-	612,734
Total investments	<u>\$ 85,601,788</u>	<u>\$ 62,244,132</u>	<u>\$ 20,800,190</u>	<u>\$ 2,557,466</u>
Stocks in transit:				
Common stocks:				
Financial	\$ 62,719	\$ 62,719	\$ -	\$ -
Industrial	14,916	14,916	-	-
Closely held	76,806	76,806	-	-
Total stocks in transit	<u>\$ 154,441</u>	<u>\$ 154,441</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in charitable trusts	<u>\$ 260,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,214</u>
Unconditional promises to give receivable	<u>\$ 3,316,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,316,373</u>
Estate receivables	<u>\$ 3,391,832</u>	<u>\$ 3,391,832</u>	<u>\$ -</u>	<u>\$ -</u>
Annuities and trust payable	<u>\$ 714,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,662</u>
Unconditional promises to give to others	<u>\$ 51,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,036</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - FAIR VALUE OF ASSETS AND LIABILITIES - CONTINUED

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets for the year ended December 31, 2015.

<u>December 31, 2015</u>	<u>Alternative Investment Funds</u>	<u>Beneficial Interest in Charitable Trusts</u>	<u>Unconditional Promises to Give</u>	<u>Due to Annuitants</u>	<u>Unconditional Promises to Give Others</u>
Beginning balance	\$ 2,557,466	\$ 260,214	\$ 3,316,373	\$ 714,662	\$ 51,036
Realized gains	208,023	-	-	-	-
Unrealized gains	(333,924)	-	-	-	-
Distributions	(492,622)	-	-	(27,880)	-
Unconditional promises to give received during the year	-	-	646,306	-	-
Unconditional promises to give collected during the year	-	-	(432,140)	(8,999)	-
Unconditional promises to give paid out during the year	-	-	-	-	(51,500)
Change in discount of unconditional promises to give	-	-	29,303	-	-
Actuarial change in value of split-interest agreements	-	(14,852)	-	(42,472)	-
Unconditional promises to give written-off during the year	-	-	-	-	464
Ending balance	<u>\$ 1,938,943</u>	<u>\$ 245,362</u>	<u>\$ 3,559,842</u>	<u>\$ 635,311</u>	<u>\$ -</u>

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets for the year ended December 31, 2014.

<u>December 31, 2014</u>	<u>Alternative Investment Funds</u>	<u>Beneficial Interest in Charitable Trusts</u>	<u>Unconditional Promises to Give</u>	<u>Due to Annuitants</u>	<u>Unconditional Promises to Give Others</u>
Beginning balance	\$ 2,933,740	\$ 835,398	\$ 3,063,928	\$ 758,586	\$ 123,956
Realized gains	88,148	-	-	-	-
Unrealized gains	215,269	-	-	-	-
Distributions	(679,691)	-	-	(30,193)	-
Unconditional promises to give received during the year	-	-	727,286	-	-
Unconditional promises to give collected during the year	-	(574,327)	(448,500)	-	-
Unconditional promises to give paid out during the year	-	-	-	-	(77,500)
Change in discount of unconditional promises to give	-	-	10,406	-	4,580
Actuarial change in value of split-interest agreements	-	(857)	-	(13,731)	-
Unconditional promises to give written-off during the year	-	-	(36,747)	-	-
Ending balance	<u>\$ 2,557,466</u>	<u>\$ 260,214</u>	<u>\$ 3,316,373</u>	<u>\$ 714,662</u>	<u>\$ 51,036</u>

The net unrealized and realized gains and losses are included in investment performance on the consolidated statement of activities.

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	<u>2015</u>	<u>2014</u>
Land	\$ 641,294	\$ 641,294
Buildings and improvements	5,622,174	5,605,742
Furniture, fixture and equipment	<u>690,396</u>	<u>639,229</u>
	6,953,864	6,886,265
Less accumulated depreciation	<u>(3,626,065)</u>	<u>(3,439,972)</u>
	<u>\$ 3,327,799</u>	<u>\$ 3,446,293</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$248,018 and \$285,293, respectively.

NOTE F - 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 2% for both years ended December 31, 2015 and 2014. 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.

There were no new contributions for the years ended December 31, 2015 and 2014.

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, 2015 and 2014, there was \$52,828 and \$46,359, respectively, of negative equity related to annuities in this situation.

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

Assets included in investments and cash	<u>\$ 985,183</u>	<u>\$ 1,109,771</u>
Beneficial interest in charitable trusts	<u>\$ 245,362</u>	<u>\$ 260,214</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G - TRANSACTIONS IN FUNDS HELD FOR AGENCIES

Transactions in funds held for agencies are summarized as follows:

	<u>2015</u>	<u>2014</u>
Additions:		
Contributions	\$ 947,703	\$ 563,528
Investment performance	<u>(100,909)</u>	<u>65,091</u>
	<u>846,794</u>	<u>628,619</u>
Deductions:		
Administrative fees	(40,492)	(30,982)
Grant distributions	<u>(75,924)</u>	<u>(81,263)</u>
	<u>(116,416)</u>	<u>(112,245)</u>
INCREASE IN BALANCE	730,378	516,374
Funds held for agencies, beginning of year	<u>2,913,065</u>	<u>2,396,691</u>
Funds held for agencies, end of year	<u>\$ 3,643,443</u>	<u>\$ 2,913,065</u>

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Split-interest agreements	\$ 2,666,376	\$ 2,732,690
Donor-directed purpose restrictions	697,457	1,387,514
Unconditional promises to give	<u>3,559,842</u>	<u>3,316,373</u>
	<u>\$ 6,923,675</u>	<u>\$ 7,436,577</u>

NOTE I - 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.

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J- ENDOWMENTS

All endowment net assets relate to donor-restricted endowment funds for which the Foundation has the ability to distribute principal, but is managing the funds in accordance with the donor's desire that the fund be perpetual in nature.

Changes in endowment net assets for the year ended December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance January 1, 2015	\$ 75,106,044	\$ -	\$ -	\$ 75,106,044
Interest and dividends	2,917,205	-	-	2,917,205
Realized and unrealized losses	(4,531,736)	-	-	(4,531,736)
Contributions	1,657,110	-	-	1,657,110
Amounts appropriated for expenditure	<u>(5,192,652)</u>	<u>-</u>	<u>-</u>	<u>(5,192,652)</u>
Balance December 31, 2015	<u>\$ 69,955,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,955,971</u>

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

Balance January 1, 2014	\$ 64,507,663	\$ -	\$ -	\$ 64,507,663
Interest and dividends	2,306,531	-	-	2,306,531
Realized and unrealized gains	321,563	-	-	321,563
Contributions	11,207,087	-	-	11,207,087
Amounts appropriated for expenditure	<u>(3,236,800)</u>	<u>-</u>	<u>-</u>	<u>(3,236,800)</u>
Balance December 31, 2014	<u>\$ 75,106,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,106,044</u>

NOTE K - OPERATING LEASES

As Lessee

On February 6, 2014, the Foundation entered into a 60-month operating lease for a copier. Under the terms of the lease, monthly rent payments are \$245.

On May 21, 2014, the Foundation entered into a 60-month operating lease for office equipment. Under the terms of the lease, monthly rent payments are \$860.

On May 1, 2013, the Foundation entered into a 60-month operating lease for a postage machine. Under the terms of the lease, quarterly rent payments are \$409.

Future minimum lease payments for the years following December 31, 2015 are:

2016	\$ 14,895
2017	14,895
2018	14,895
2019	<u>6,016</u>
	<u>\$ 50,701</u>

Lincoln Community Foundation, Inc. and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE K - OPERATING LEASES - CONTINUED

As Lessor

The Foundation has entered into lease agreements for office space. The leases with various non-profit organizations expire through 2025.

The financial statements include rent income of \$290,260 and \$287,140 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease revenues for the years following December 31, 2015 are:

2016	\$ 223,798
2017	103,169
2018	105,168
2019	104,669
2020	105,224
Thereafter	<u>538,603</u>
	<u>\$ 1,180,631</u>

NOTE L - RETIREMENT PLAN

The Foundation has a SEP-IRA plan covering eligible employees. The plan provides for matching contributions, approved by the Board of Directors annually. The Foundation contributed \$29,953 and \$27,901 to the retirement plan for the years ended December 31, 2015 and 2014, respectively.

NOTE M - CLASSIFICATION OF EXPENSES

The consolidated statements of activities disclose expenses by natural classification. The classification of expenses by function is as follows:

	<u>2015</u>	<u>2014</u>
Program services		
General	\$ 13,513,240	\$ 9,643,246
Building	465,712	553,622
Management and general	517,065	475,956
Fundraising	<u>317,629</u>	<u>263,213</u>
	<u>\$ 14,813,646</u>	<u>\$ 10,936,037</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N - LINE OF CREDIT

The Foundation has a revolving credit note agreement with a financial institution, which provides it may borrow up to \$2,000,000 at an annual interest rate equal to 0.5% plus the prime rate. The revolving credit note is supported by an agreement which provides for certain covenants which include the maintenance of liquid assets having a value of at least \$20 million. The note is secured by substantially all assets of the Foundation. No amounts had been borrowed on the revolving credit note as of December 31, 2015. The revolving credit note expires July 31, 2016.

NOTE O - DEFERRED COMPENSATION

The Foundation entered into a deferred compensation agreement with the Foundation's 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 vests on January 1, 2020. Once vested, the President will 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 accrued a liability and recognized an expense of \$17,098 at December 31, 2015 under the agreement.

NOTE P - COMMITMENTS

In January 2015, the Foundation entered into a contract for professional services related to consulting. The contract includes a fixed fee of \$162,675 to be paid. Payments of \$122,809 have been made as of December 31, 2015. Provisions for termination are outlined in the contract and in most instances require a 30-day notification period.

The Foundation has entered into a contract for professional services related to consulting. The contract includes a fixed fee of \$30,000 to be paid in two installments. Payments of \$15,000 have been made as of December 31, 2015. Provisions for termination are outlined in the contract and in most instances require a 30-day notification period.

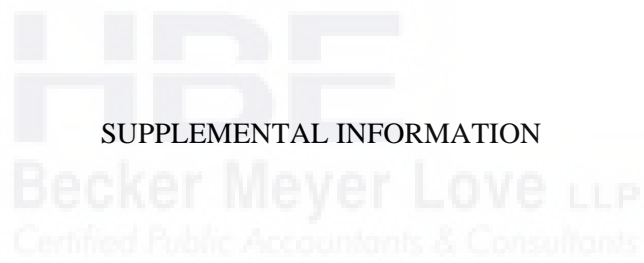
NOTE Q - CONCENTRATION OF CREDIT RISK

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. Accounts at each institution are insured by the FDIC up to \$250,000. The bank accounts, at December 31, 2015 and 2014, exceeded federally insured limits by \$1,489,062 and \$3,052,334, respectively. The Foundation has not experienced any losses on such accounts.

NOTE R - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date that the financial statements were available to be issued.

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SUPPLEMENTAL INFORMATION

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Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2015
(with consolidated totals as of December 31, 2014)

ASSETS

	Lincoln Community Foundation, Inc.	Lincoln Foundation Donor Directed Depository, Inc.	Consolidated 2015	Consolidated 2014
ASSETS				
Cash and cash equivalents	\$ 4,394,085	\$ -	\$ 4,394,085	\$ 9,323,611
Certificates of deposit	4,785,176	-	4,785,176	5,273,635
Investments	85,980,741	-	85,980,741	85,601,788
Stocks in transit	109,858	-	109,858	154,441
Beneficial interests in charitable trusts	245,362	-	245,362	260,214
Unconditional promises to give	3,559,842	-	3,559,842	3,316,373
Receivables	223,233	-	223,233	3,568,462
Cash surrender value of life insurance	2,575,309	-	2,575,309	2,566,972
Property and equipment	3,327,799	-	3,327,799	3,446,293
	<u>\$ 105,201,405</u>	<u>\$ -</u>	<u>\$ 105,201,405</u>	<u>\$ 113,511,789</u>

LIABILITIES AND NET ASSETS

LIABILITIES				
Accounts payable and accrued expenses	\$ 592,925	\$ -	\$ 592,925	\$ 493,333
Annuities and trusts payable	635,311	-	635,311	714,662
Funds held for agencies	3,643,443	-	3,643,443	2,913,065
	<u>4,871,679</u>	<u>-</u>	<u>4,871,679</u>	<u>4,121,060</u>
NET ASSETS				
Unrestricted	93,406,051	-	93,406,051	101,954,152
Temporarily restricted	6,923,675	-	6,923,675	7,436,577
	<u>100,329,726</u>	<u>-</u>	<u>100,329,726</u>	<u>109,390,729</u>
Total liabilities and net assets	<u>\$ 105,201,405</u>	<u>\$ -</u>	<u>\$ 105,201,405</u>	<u>\$ 113,511,789</u>

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2015
(with consolidated totals for the year ended December 31, 2014)

	Lincoln Community Foundation, Inc.	Lincoln Foundation Donor Directed Depository, Inc.	Subtotal	Eliminations	Consolidated 2015	Consolidated 2014
REVENUE AND SUPPORT						
Contributions	\$ 8,959,033	\$ 10,832	\$ 8,969,865	\$ -	\$ 8,969,865	\$ 18,982,252
Investment performance	(3,685,953)	(358)	(3,686,311)	-	(3,686,311)	3,585,198
Change in value of split-interest agreements	112,238	-	112,238	-	112,238	121,870
Other income	356,851	-	356,851	-	356,851	320,443
Internal administrative fee revenue	1,349,097	-	1,349,097	(1,349,097)	-	-
Interfund transfers	74,943	(74,943)	-	-	-	-
	<u>7,166,209</u>	<u>(64,469)</u>	<u>7,101,740</u>	<u>(1,349,097)</u>	<u>5,752,643</u>	<u>23,009,763</u>
Total revenue and support						
DISTRIBUTIONS						
Grants	11,696,363	9,992	11,706,355	-	11,706,355	8,269,103
Fiscal sponsorships	302,413	-	302,413	-	302,413	127,803
Mission initiatives	300,957	-	300,957	-	300,957	132,302
	<u>12,299,733</u>	<u>9,992</u>	<u>12,309,725</u>	<u>-</u>	<u>12,309,725</u>	<u>8,529,208</u>
Total distributions						
OTHER EXPENSES						
Investment expenses	91,698	7	91,705	-	91,705	88,684
Personnel and fringe benefits	1,280,152	-	1,280,152	-	1,280,152	1,164,937
Other expenses	884,046	-	884,046	-	884,046	867,915
Depreciation	248,018	-	248,018	-	248,018	285,293
Internal administrative fee expense	1,349,097	-	1,349,097	(1,349,097)	-	-
	<u>3,853,011</u>	<u>7</u>	<u>3,853,018</u>	<u>(1,349,097)</u>	<u>2,503,921</u>	<u>2,406,829</u>
Total other expenses						
Total expenses	<u>16,152,744</u>	<u>9,999</u>	<u>16,162,743</u>	<u>(1,349,097)</u>	<u>14,813,646</u>	<u>10,936,037</u>
Increase (decrease) in net assets	(8,986,535)	(74,468)	(9,061,003)	-	(9,061,003)	12,073,726
Net assets at beginning of year	<u>109,316,261</u>	<u>74,468</u>	<u>109,390,729</u>	<u>-</u>	<u>109,390,729</u>	<u>97,317,003</u>
Net assets at end of year						
Unrestricted	93,406,051	-	93,406,051	-	93,406,051	101,954,152
Temporarily restricted	6,923,675	-	6,923,675	-	6,923,675	7,436,577
	<u>\$ 100,329,726</u>	<u>\$ -</u>	<u>\$ 100,329,726</u>	<u>\$ -</u>	<u>\$ 100,329,726</u>	<u>\$ 109,390,729</u>
Total net assets at end of year						

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY FUND

December 31, 2015
(with comparative totals as of December 31, 2014)

	Discretionary	Donor Recommended	Scholarship	Total Grantmaking Funds	Split-Interest Agreement Funds	Operations	2015	2014
ASSETS								
Cash and cash equivalents	\$ 671,787	\$ 4,103,225	\$ 78,547	\$ 4,853,559	\$ (44,364)	\$ (415,110)	\$ 4,394,085	\$ 9,323,611
Certificates of deposit	1,088,145	3,075,122	332,751	4,496,018	-	289,158	4,785,176	5,273,635
Investments	25,606,420	43,559,355	7,572,228	76,738,003	792,757	8,449,981	85,980,741	85,601,788
Stocks in transit	6,294	103,564	-	109,858	-	-	109,858	154,441
Beneficial interests in charitable trusts	-	-	-	-	245,362	-	245,362	260,214
Unconditional promises to give	-	-	-	-	-	3,559,842	3,559,842	3,316,373
Receivables	47,566	169,408	-	216,974	-	6,259	223,233	3,568,462
Cash surrender value of life insurance	-	-	-	-	2,575,309	-	2,575,309	2,566,972
Property and equipment	-	-	-	-	-	3,327,799	3,327,799	3,446,293
Total assets	\$ 27,420,212	\$ 51,010,674	\$ 7,983,526	\$ 86,414,412	\$ 3,569,064	\$ 15,217,929	\$ 105,201,405	\$ 113,511,789
LIABILITIES								
Accounts payable and accrued expenses	\$ 153,454	\$ 1,500	-	\$ 154,954	\$ 320,205	\$ 117,766	\$ 592,925	\$ 493,333
Annuities and trusts payable	-	-	-	-	635,311	-	635,311	714,662
Funds held for agencies	-	3,643,443	-	3,643,443	-	-	3,643,443	2,913,065
Total liabilities	153,454	3,644,943	-	3,798,397	955,516	117,766	4,871,679	4,121,060
NET ASSETS								
Unrestricted	27,266,758	46,668,274	7,983,526	81,918,558	(52,828)	11,540,321	93,406,051	101,954,152
Temporarily restricted	-	697,457	-	697,457	2,666,376	3,559,842	6,923,675	7,436,577
Total net assets	27,266,758	47,365,731	7,983,526	82,616,015	2,613,548	15,100,163	100,329,726	109,390,729
Total liabilities and net assets	\$ 27,420,212	\$ 51,010,674	\$ 7,983,526	\$ 86,414,412	\$ 3,569,064	\$ 15,217,929	\$ 105,201,405	\$ 113,511,789

Lincoln Community Foundation, Inc. and Controlled Organization

CONSOLIDATED STATEMENT OF ACTIVITIES BY FUND

Year ended December 31, 2015
(with comparative totals for the year ended December 31, 2014)

	Discretionary	Donor Recommended	Scholarship	Total Grantmaking Funds	Split-Interest Agreement Funds	Operations	2015	2014
REVENUE AND SUPPORT								
Contributions	\$ 1,148,336	\$ 6,945,723	\$ 513,224	\$ 8,607,283	\$ 64,312	\$ 298,270	\$ 8,969,865	\$ 18,982,252
Investment performance	(628,834)	(2,736,689)	(179,523)	(3,545,046)	(12,442)	(128,823)	(3,686,311)	3,585,198
Change in value of split-interest agreements	-	-	-	-	112,238	-	112,238	121,870
Other income	18,509	40,492	-	59,001	-	297,850	356,851	320,443
Interfund transfers	(436,569)	(1,887,122)	(120,742)	(2,444,433)	(57,446)	2,501,879	-	-
Total revenue and support	<u>101,442</u>	<u>2,362,404</u>	<u>212,959</u>	<u>2,676,805</u>	<u>106,662</u>	<u>2,969,176</u>	<u>5,752,643</u>	<u>23,009,763</u>
DISTRIBUTIONS								
Grants	1,176,625	10,247,806	241,024	11,665,455	-	40,900	11,706,355	8,269,103
Fiscal sponsorships	302,413	-	-	302,413	-	-	302,413	127,803
Mission initiatives	286,795	-	-	286,795	-	14,162	300,957	198,027
Total other expenses	<u>1,765,833</u>	<u>10,247,806</u>	<u>241,024</u>	<u>12,254,663</u>	<u>-</u>	<u>55,062</u>	<u>12,309,725</u>	<u>8,594,933</u>
OTHER EXPENSES								
Investment expenses	6,319	10,093	-	16,412	1,194	74,099	91,705	88,684
Personnel and fringe benefits	-	-	-	-	-	1,280,152	1,280,152	1,164,937
Other expenses	-	69,549	-	69,549	178,251	636,246	884,046	802,190
Depreciation	-	-	-	-	-	248,018	248,018	285,293
Total other expenses	<u>6,319</u>	<u>79,642</u>	<u>-</u>	<u>85,961</u>	<u>179,445</u>	<u>2,238,515</u>	<u>2,503,921</u>	<u>2,341,104</u>
Total expenses	<u>1,772,152</u>	<u>10,327,448</u>	<u>241,024</u>	<u>12,340,624</u>	<u>179,445</u>	<u>2,293,577</u>	<u>14,813,646</u>	<u>10,936,037</u>
Increase (decrease) in net assets	(1,670,710)	(7,965,044)	(28,065)	(9,663,819)	(72,783)	675,599	(9,061,003)	12,073,726
Net assets at beginning of year	<u>28,937,468</u>	<u>55,330,775</u>	<u>8,011,591</u>	<u>92,279,834</u>	<u>2,686,331</u>	<u>14,424,564</u>	<u>109,390,729</u>	<u>97,317,003</u>
Net assets at end of year								
Unrestricted	27,266,758	46,668,274	7,983,526	81,918,558	(52,828)	11,540,321	93,406,051	101,954,152
Temporarily restricted	-	697,457	-	697,457	2,666,376	3,559,842	6,923,675	7,436,577
Total net assets at end of year	<u>\$ 27,266,758</u>	<u>\$ 47,365,731</u>	<u>\$ 7,983,526</u>	<u>\$ 82,616,015</u>	<u>\$ 2,613,548</u>	<u>\$ 15,100,163</u>	<u>\$ 100,329,726</u>	<u>\$ 109,390,729</u>