

**LEXINGTON COMMUNITY  
FOUNDATION**

FINANCIAL STATEMENTS

December 31, 2007



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September 8, 2008

To the Board of Directors  
Lexington Community Foundation  
Lexington, Nebraska

We have compiled the accompanying statement of financial position of Lexington Community Foundation (a non-profit organization) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the accompanying supplementary information contained in the schedules of balances, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

*Contryman Associates P.C.*

Certified Public Accountants  
Lexington, Nebraska

# LEXINGTON COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION (See Accountants' Report)

December 31, 2007

### ASSETS:

Checking and savings accounts	85,828
Pledges receivable-net	50,474
Grants receivable	23,544
Land	10,500
Investments	2,524,878
Cash value-life insurance	62,754

### TOTAL ASSETS

2,757,978

### LIABILITIES:

Grants payable	1,000
Scholarships payable	22,400
Assets held for the benefit of others	180,571
TOTAL LIABILITIES	<u>203,971</u>

### NET ASSETS:

Unrestricted	1,861,552
Temporarily restricted	692,455
TOTAL NET ASSETS	<u>2,554,007</u>

### TOTAL LIABILITIES AND NET ASSETS

2,757,978

*See accompanying notes.*

# LEXINGTON COMMUNITY FOUNDATION

## STATEMENT OF ACTIVITIES (See Accountants' Report)

Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT:</b>			
Contributions	209,637	59,800	269,437
Grant income	2,837	130,160	132,997
Memorials, wills, and bequests	8,617	7,178	15,795
In-kind contributions	1,892	2,181	4,073
Investment income	187,170	61,867	249,037
Increase in cash value of life insurance	5,318	0	5,318
Fee income	33,041	0	33,041
	448,512	261,186	709,698
Net assets released from restrictions:			
Restrictions released by payment	379,980	(379,980)	0
<b>TOTAL REVENUE AND SUPPORT</b>	828,492	(118,794)	709,698
<b>EXPENSES:</b>			
Program	648,380	0	648,380
Supporting services:			
Management and general	33,483	0	33,483
Fundraising	112,417	0	112,417
<b>TOTAL EXPENSES</b>	794,280	0	794,280
<b>INCREASE IN NET ASSETS</b>	34,212	(118,794)	(84,582)
<b>NET ASSETS</b>			
Beginning of year	1,827,340	811,249	2,638,589
<b>NET ASSETS - END OF YEAR</b>	1,861,552	692,455	2,554,007

*See accompanying notes.*

# LEXINGTON COMMUNITY FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

(See Accountants' Report)

Year Ended December 31, 2007

	Program	Supporting Services		Total
		Management and General	Fundraising	
FUNCTIONAL EXPENSES:				
Administrative fees	31,110	0	0	31,110
Salaries	23,722	11,861	23,722	59,305
Payroll taxes	1,834	918	1,834	4,586
Employee benefits	3,600	1,800	3,600	9,000
Scholarships and grants	279,715	0	0	279,715
Advertising	254	0	0	254
Contracted services	302,146	525	1,065	303,736
Event expense	0	0	59,384	59,384
Insurance	0	3,563	7,234	10,797
Investment fees	0	358	728	1,086
Matching funds expense	4,125	0	0	4,125
Office expense	0	1,747	3,548	5,295
Printing and publications	0	1,496	3,037	4,533
Professional fees	0	4,200	0	4,200
Rent expense	0	1,800	0	1,800
Supplies	1,874	3,992	7,341	13,207
Telephone	0	455	924	1,379
Other expense	0	768	0	768
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>648,380</b>	<b>33,483</b>	<b>112,417</b>	<b>794,280</b>

*See accompanying notes.*

# LEXINGTON COMMUNITY FOUNDATION

## STATEMENT OF CASH FLOWS

(See Accountants' Report)

Year Ended December 31, 2007

OPERATING ACTIVITIES:	
(Decrease) in net assets	(84,582)
Items not requiring cash:	
Unrealized investment loss	48,941
(Increase) decrease in assets:	
Pledges receivable	18,191
Grants receivable	(23,544)
Life insurance policies	(10,077)
Increase (decrease) in liabilities:	
Grants payable	(2,200)
Scholarships payable	4,012
NET OPERATING ACTIVITIES	<u>(49,259)</u>
INVESTING ACTIVITIES:	
Purchase of long-term investments	(625,623)
Proceeds from sale of investments	648,702
NET INVESTING ACTIVITIES	<u>23,079</u>
FINANCING ACTIVITIES:	
(Decrease) in assets held for the benefit of others	<u>(22,468)</u>
NET FINANCING ACTIVITIES	<u>(22,468)</u>
NET (DECREASE) IN CASH	(48,647)
Cash - beginning of year	<u>134,475</u>
CASH - END OF YEAR	<u><u>85,828</u></u>

*See accompanying notes.*

# LEXINGTON COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (See Accountants' Report)

December 31, 2007

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### Entity

Lexington Community Foundation was established as a nonprofit corporation in 1982 to support various individuals, groups, and communities in the Lexington, Nebraska area. To accomplish its goal, the Foundation accepts, holds, and invests funds received from contributors, generally located in the same geographic area. The Foundation then disburses income and/or principal through grants and awards in accordance with the contributors' guidelines, if applicable, and Foundation guidelines. The Foundation is exempt from federal income taxes by Internal Revenue Code Section 501(c)(3).

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – These are net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### Investments

Investments are stated at fair market value (FMV). Money market accounts and certificates of deposit are reflected at their account balance or face value, and mutual funds are stated at quoted market prices. Unrealized gains and losses are included in the change in net assets. Mutual funds are unsecured.

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# LEXINGTON COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) (See Accountants' Report)

December 31, 2007

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributions

Contributions are recognized when a donor makes a pledge to give to the Foundation that is, in substance, unconditional. Unless otherwise noted, contributions are considered unrestricted. Contributions restricted by the donor are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Contributed Services

Contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned.

#### Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue, expenses, and disclosures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### Cash Flow Statement

For purposes of the statement of cash flows, the Foundation considers its checking and savings accounts to be cash.

#### Functional Allocation of Expenses

The costs of providing the Foundation's programs and supporting services have been summarized on a functional basis in the statements. Accordingly, certain costs have been allocated among programs and supporting services.

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# LEXINGTON COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) (See Accountants' Report)

December 31, 2007

### NOTE 2: PLEDGES RECEIVABLE

Campaign pledges receivable	51,674
Allowance for uncollectibles	<u>(1,200)</u>
TOTAL	<u>50,474</u>

Amounts due in:

One year	41,674
Two to five years	<u>10,000</u>
TOTAL	<u>51,674</u>

The pledges are due from individuals and businesses located in central Nebraska and are unsecured. Pledges are designated as follows:

Library Fund	12,580
Dawson County Museum Fund	30,900
Grand Generation Center	6,144
Community	1,750
Optimists Sports Complex	<u>300</u>
TOTAL	<u>51,674</u>

### NOTE 3: INVESTMENTS

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Money market	91,599	91,599	0
Certificates of deposit	250,859	250,859	0
Equities	93,143	94,720	1,577
Mutual funds	<u>1,711,628</u>	<u>2,087,700</u>	<u>376,072</u>
TOTALS	<u>2,147,229</u>	<u>2,524,878</u>	<u>377,649</u>

Investment income consists of the following:

Interest	7,180
Dividends	67,821
Capital gain	236,140
Unrealized gain (loss)	<u>(48,941)</u>
Total	262,200
Investment income recorded as increase to liability for amounts held for the benefit of others	<u>(13,163)</u>
NET INVESTMENT INCOME	<u>249,037</u>

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# LEXINGTON COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) (See Accountants' Report)

December 31, 2007

### NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose at December 31, 2007:

Scholarships	373,721
Community improvements and other	318,734
TOTAL	<u>692,455</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose of restrictions accomplished:	
Investment administration fees	13,744
Community improvement	325,956
Scholarships and grants	<u>40,280</u>
TOTAL	<u>379,980</u>

### NOTE 5: ASSETS HELD FOR THE BENEFIT OF OTHERS

This amount represents funds received by the Foundation that are to be used for specific entities or individuals as designated by the donor. This type of transaction is referred to as an agency transaction. An agency transaction is one which the Foundation has little or no control over the use of the assets received.

### NOTE 6: IN-KIND CONTRIBUTIONS

In-kind contributions recognized as revenue were as follows:

Rent expense	1,800
Professional fees	1,000
Fund raising expenses	<u>1,273</u>
TOTAL	<u>4,073</u>

The Foundation rented office space without charge from a member of the board of directors and recognized in-kind income and rent expense in the amount of \$1,800.

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# LEXINGTON COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) (See Accountants' Report)

December 31, 2007

### NOTE 7: CONCENTRATION OF CREDIT RISK

The Foundation maintains cash in various financial institutions. At times during the year the balances exceeded the Federal Deposit Insurance Corporation limit of \$100,000. At December 31, 2007 \$866 in cash and cash investments were uninsured.

SUPPLEMENTARY INFORMATION

# LEXINGTON COMMUNITY FOUNDATION

## SCHEDULE OF BALANCES (See Accountants' Report)

December 31, 2007

	Balance Beginning of Year	Contributions, Grants, Etc.	Investment Income	Administration Fees	Scholarships, Grants, Etc.	Balance End of Year
<b>TEMPORARILY RESTRICTED:</b>						
CFI Lexington	8,758	39,486	525	(54)	(20,771)	27,944
Community Center	0	500	0	0	0	500
Dawson County Museum Fund	194,114	16,870	7,291	(2,575)	(209,739)	5,961
Heartland Museum of Military Vehicles	90,981	365	1,247	(198)	(92,007)	388
Lexington Concert Fund	3,666	1,000	364	(37)	0	4,993
Lexington Main Street Fund	10,117	0	846	(131)	(1,401)	9,431
Parks & Trails	0	72,991	1,565	(242)	(10,178)	64,136
Plum Creek Rodeo	13,581	0	1,180	(183)	(2,613)	11,965
Samaritan Fund	522	750	105	0	0	1,377
Seacrest Newspaper Legacy Fund	48,564	0	4,619	(713)	(1,500)	50,970
Skatepark Challenge	3,394	0	315	(32)	(154)	3,523
TCH Fitness Center	0	29,176	1,417	(219)	0	30,374
Thanks A Million - Aquatic Center	48,984	0	4,756	(735)	0	53,005
Thanks A Million-LMS Auditorium Fund	50,058	0	4,861	(751)	0	54,168
Advanced Scholars Program	0	5,000	266	(54)	(1,650)	3,562
Class of '77 Scholarship Fund	0	2,314	125	(26)	(168)	2,245
Francele Skinner Scholarship Fund	16,650	0	1,617	(333)	(1,000)	16,934
Home Federal Scholarship Fund	10,929	0	1,029	(212)	(2,000)	9,746
Kay Linch Memorial Scholarship	20	3,170	280	(58)	0	3,412
Mark and Vera Turner Scholarship	43,401	0	4,214	(868)	(2,000)	44,747
Optimist Scholarship Fund	0	4,500	218	(45)	0	4,673
Robert Wade Scholarship	10,000	10,000	1,028	(212)	(1,000)	19,816
Teammates Fund	6,087	5,396	1,080	(167)	0	12,396
Lexington School Scholarship Fund	251,423	7,801	22,919	(5,901)	(20,053)	256,189
<b>TOTAL TEMPORARILY RESTRICTED</b>	<b>811,249</b>	<b>199,319</b>	<b>61,867</b>	<b>(13,746)</b>	<b>(366,234)</b>	<b>692,455</b>
<b>HELD FOR THE BENEFIT OF OTHERS:</b>						
Alumni Association Fund	2,819	3,780	234	(12)	(4,481)	2,340
Boys & Girls Club	0	19,960	487	(50)	(3,978)	16,419
Dawson County ARC	10,351	0	924	(143)	(2,000)	9,132
Geneological Society	0	1,565	39	0	0	1,604
Grand Generation Center	111,840	6,944	1,811	(280)	(118,783)	1,532
Johnson Lake Trails	21,666	250	2,108	(326)	250	23,948
Lexington Education Appreciation Fund	1,554	2,735	213	(22)	(1,636)	2,844
Lexington Baseball Association	21,245	255	1,917	(296)	(4,200)	18,921
Lexington Tennis Association	10,760	40	886	(337)	(3,000)	8,349
Lexington Tennis Tournament Fund	0	4,679	114	(12)	0	4,781
Library Memorial Fund	0	23,428	568	(88)	0	23,908
Library Program Initiative	0	10,298	0	0	(2,363)	7,935
Library Fund- Other	1,748	3,496	321	0	(1,119)	4,446
Nebraska Rural Radio Fund	880	2,015	265	(27)	0	3,133
Optimists Sports Complex	2,719	29,621	1,598	(247)	(1,115)	32,576
Plum Creek Memorial Fund	17,456	0	1,678	(259)	(172)	18,703
<b>TOTAL HELD FOR THE BENEFIT OF OTHERS</b>	<b>203,038</b>	<b>109,066</b>	<b>13,163</b>	<b>(2,099)</b>	<b>(142,597)</b>	<b>180,571</b>