

**LEXINGTON COMMUNITY
FOUNDATION**

FINANCIAL STATEMENTS

December 31, 2009

May 6, 2010

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, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the accompanying supplementary information contained in the schedule 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.

Certified Public Accountants
Lexington, Nebraska

LEXINGTON COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION (See Accountants' Report)

December 31, 2009

ASSETS:

Checking and savings accounts	132,328
Contributions receivable-net	423,943
Grants receivable	82,000
Land	10,500
Investments	2,363,988
Cash value-life insurance	83,745

TOTAL ASSETS 3,096,503

LIABILITIES:

Grants payable	7,000
Scholarships payable	21,000
Assets held for the benefit of others	235,203
TOTAL LIABILITIES	<u><u>263,203</u></u>

NET ASSETS:

Unrestricted	1,322,665
Temporarily restricted	1,510,635
TOTAL NET ASSETS	<u><u>2,833,300</u></u>

TOTAL LIABILITIES AND NET ASSETS 3,096,503

See accompanying notes.

LEXINGTON COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES (See Accountants' Report)

Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT:			
Contributions	17,910	629,594	647,504
Event income	227,274	0	227,274
Grant income	36,980	331,263	368,243
Memorials, wills, and bequests	10,520	13,608	24,128
In-kind contributions	4,645	29,030	33,675
Investment gain	252,705	128,989	381,694
Increase in cash value of life insurance	10,538	0	10,538
Fee income	36,512	0	36,512
	597,084	1,132,484	1,729,568
Net assets released from restrictions:			
Restrictions released by payment	344,023	(344,023)	0
TOTAL REVENUE, SUPPORT, AND RECLASSIFICATIONS	941,107	788,461	1,729,568
EXPENSES:			
Program	608,810	0	608,810
Supporting services:			
Management and general	35,691	0	35,691
Fundraising	135,534	0	135,534
TOTAL EXPENSES	780,035	0	780,035
INCREASE IN NET ASSETS	161,072	788,461	949,533
Net assets - beginning of year	1,161,593	722,174	1,883,767
NET ASSETS - END OF YEAR	1,322,665	1,510,635	2,833,300

See accompanying notes.

LEXINGTON COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

(See Accountants' Report)

Year Ended December 31, 2009

	Program	Supporting Services		Total
		Management and General	Fundraising	
FUNCTIONAL EXPENSES:				
Administrative fees	33,364	0	0	33,364
Salaries	26,852	13,426	26,852	67,130
Payroll taxes	1,996	998	1,996	4,990
Employee benefits	4,170	2,085	4,170	10,425
Scholarships and grants	420,496	0	0	420,496
Advertising	924	0	0	924
Contracted service grants	61,428	0	0	61,428
Equipment purchase grants	32,981	0	0	32,981
Event expense	0	0	84,065	84,065
Insurance	0	3,916	7,265	11,181
Investment fees	20	2,952	0	2,972
Matching funds expense	5,395	0	0	5,395
Office expense	120	1,255	3,208	4,583
Printing and publications	0	0	6,556	6,556
Professional fees	5,245	3,900	0	9,145
Rent expense	0	3,600	0	3,600
Services	1,914	203	0	2,117
Supplies	12,812	2,609	0	15,421
Telephone	0	450	1,049	1,499
Travel	518	297	0	815
Other expense	575	0	373	948
TOTAL FUNCTIONAL EXPENSES	608,810	35,691	135,534	780,035

See accompanying notes.

LEXINGTON COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

(See Accountants' Report)

Year Ended December 31, 2009

OPERATING ACTIVITIES:	
Increase in net assets	949,533
Items not requiring cash:	
Unrealized investment gain	(453,897)
Loss on sale of investments	104,725
(Increase) decrease in assets:	
Contributions receivable	(395,998)
Grants receivable	(74,484)
Life insurance policies	(10,538)
Increase (decrease) in liabilities:	
Grants payable	(8,000)
Scholarships payable	(1,050)
NET OPERATING ACTIVITIES	<u>110,291</u>
INVESTING ACTIVITIES:	
Purchase of long-term investments	(595,349)
Proceeds from sale of investments	374,388
NET INVESTING ACTIVITIES	<u>(220,961)</u>
FINANCING ACTIVITIES:	
Increase in assets held for the benefit of others	70,529
NET FINANCING ACTIVITIES	<u>70,529</u>
NET (DECREASE) IN CASH	(40,141)
Cash - beginning of year	<u>172,469</u>
CASH - END OF YEAR	<u><u>132,328</u></u>

See accompanying notes.

LEXINGTON COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS (See Accountants' Report)

December 31, 2009

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 in marketable securities with readily determinable fair values are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Money market accounts and certificates of deposit are reflected at their account balance or face value.

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LEXINGTON COMMUNITY FOUNDATION

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

December 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Contributions receivable in the accompanying statement of financial position consist of unconditional promises to give, which are recorded at their net realizable value at the time the promises are received.

Contributed Services

The Foundation recognizes the fair value of contributed services received if such services: a) create or enhance nonfinancial assets or, b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Foundation receives services from a large number of volunteers who give significant amounts of their time to the Foundation's programs and fund-raising campaigns but which do not meet the criteria for financial statement recognition.

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.

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LEXINGTON COMMUNITY FOUNDATION

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

December 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Subsequent Events

The Foundation has evaluated subsequent events through May 6, 2010, the date which the financial statements were available to be issued.

NOTE 2: CONTRIBUTIONS RECEIVABLE

Campaign contributions receivable	436,943
Allowance for uncollectibles	<u>(13,000)</u>
TOTAL	<u>423,943</u>
Amounts due in:	
One year	43,400
Two to five years	<u>393,543</u>
TOTAL	<u>436,943</u>

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

Dawson County Museum Fund	13,150
Plum Creek Rodeo	500
YMCA Community Center	<u>423,293</u>
TOTAL	<u>436,943</u>

NOTE 3: 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.

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LEXINGTON COMMUNITY FOUNDATION

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

December 31, 2009

NOTE 4: INVESTMENTS

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Money market	2,248	2,248	0
Certificates of deposit	394,624	394,624	0
Equities	88,486	62,434	(26,052)
Mutual funds	<u>1,910,105</u>	<u>1,904,682</u>	<u>(5,423)</u>
TOTALS	<u>2,395,463</u>	<u>2,363,988</u>	<u>(31,475)</u>

Investment income (loss) consists of the following:

Interest	12,513
Dividends	45,218
Realized (loss)	(104,725)
Unrealized gain	<u>453,897</u>
Total	406,903
Investment gain recorded as increase to liability for assets held for the benefit of others	<u>(25,209)</u>
NET INVESTMENT GAIN	<u>381,694</u>

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose at December 31, 2009:

Scholarships	407,224
Community improvements and other	<u>1,103,411</u>
TOTAL	<u>1,510,635</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	18,834
Community improvement	136,076
Scholarships and grants	<u>189,113</u>
TOTAL	<u>344,023</u>

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LEXINGTON COMMUNITY FOUNDATION

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

December 31, 2009

NOTE 6: IN-KIND CONTRIBUTIONS

In-kind contributions recognized as revenue were as follows:

Rent expense	3,600
Equipment	10,995
Event expense	16,670
Fund raising expenses	<u>2,410</u>
TOTAL	<u>33,675</u>

The Foundation rented office and storage space without charge from members of the board of directors and recognized in-kind income and rent expense in the amount of \$3,600.

NOTE 7: INCOME TAXES

The Foundation files an annual exempt organization income tax return with the federal government. The Foundation is no longer subject to tax examinations for the years prior to 2007.

SUPPLEMENTARY INFORMATION

LEXINGTON COMMUNITY FOUNDATION

SCHEDULE OF BALANCES

(See Accountants' Report)

December 31, 2009

	Balance					Balance
	Beginning	Contributions,	Investment	Administration	Scholarships,	End of
	of Year	Grants, Etc.	Income (Loss)	Fees	Grants, Etc.	Year
TEMPORARILY RESTRICTED:						
CFI Lexington	23,316	30,370	1,399	(378)	(43,619)	11,088
YMCA Community Center	74,733	858,518	38,810	(6,931)	(109,470)	855,661
Dawson County Museum Fund	6,665	80	0	0	(6,745)	0
Heartland Museum of Military Vehicles	855	65	130	(13)	0	1,037
Lexington Concert Fund	3,884	150	578	(39)	0	4,573
Lexington Main Street Fund	2,135	0	0	(21)	0	2,114
Parks & Trails	20,706	70,563	5,821	(590)	(40,000)	56,500
Plum Creek Rodeo	79,056	39,065	11,950	(1,209)	(87,710)	41,152
Samaritan Fund	1,529	200	332	(22)	(592)	1,447
Seacrest Newspaper Legacy Fund	34,050	1,000	4,967	(503)	(3,000)	36,514
TCH Fitness Center	23,325	(23,325)	0	0	0	0
Thanks A Million - Aquatic Center	40,704	75	6,028	(611)	0	46,196
Thanks A Million-LMS Auditorium Fund	41,597	0	6,158	(624)	0	47,131
Advanced Scholars Program	1,453	0	111	(15)	(1,300)	249
Class of '77 Scholarship Fund	1,441	120	216	(29)	(2)	1,746
Eilers Scholarship Fund	0	7,058	757	(102)	0	7,713
Home Federal Scholarship Fund	4,420	250	392	(53)	(3,000)	2,009
Housel Scholarship	45,009	0	6,664	(900)	0	50,773
Kay Lynch Memorial Scholarship	1,889	400	245	(33)	(500)	2,001
Murdock Scholarship	9,209	0	1,314	(178)	(500)	9,845
Mark and Vera Turner Scholarship	32,415	0	4,602	(622)	(2,000)	34,395
Optimist Scholarship Fund	7,769	0	1,150	(78)	0	8,841
Pat Ruppe Scholarship	45,000	0	6,366	(860)	(3,000)	47,506
Robert Wade Scholarship	23,197	10,000	3,262	(441)	(3,000)	33,018
Skinner Scholarship Fund	10,940	0	1,570	(212)	(500)	11,798
Wightman Scholarship	1,743	3,800	383	(52)	(3,000)	2,874
Teammates Fund	6,872	25	1,116	(151)	1,000	8,862
Lexington School Scholarship Fund	178,262	5,081	24,668	(4,169)	(18,250)	185,592
TOTAL TEMPORARILY RESTRICTED	722,174	1,003,495	128,989	(18,836)	(325,188)	1,510,635
HELD FOR THE BENEFIT OF OTHERS:						
Alumni Association Fund	1,950	5,232	230	(16)	(5,883)	1,513
Ann Crawford Alexander Memorial	16,446	0	2,434	(164)	0	18,716
Boys & Girls Club	17,136	55,049	3,878	(655)	(65,104)	10,304
Dawson County ARC	7,059	0	0	0	0	7,059
Grand Generation Center	1,207	650	212	(14)	(102)	1,953
Johnson Lake Trails	23,942	31,978	5,237	(708)	(567)	59,882
Lexington Education Appreciation Fund	168	2,130	0	(7)	0	2,291
Lexington Baseball Association	16,464	65	2,439	(165)	0	18,803
Lexington Tennis Association	5,568	0	825	(56)	0	6,337
Lexington Tennis Tournament Fund	3,261	0	483	(33)	0	3,711
Library Memorial Fund	20,806	4,191	2,860	(290)	(4,789)	22,778
Library Program Initiative	6,587	10,025	0	0	(6,731)	9,881
Library Fund- Other	237	190	39	(3)	(9)	454
Nebraska Rural Radio Fund	2,809	0	415	(28)	0	3,196
Optimists Sports Complex	24,069	1,910	3,647	(370)	(120)	29,136
Plum Creek Memorial Fund	14,362	0	2,126	(215)	0	16,273
Peter Kewitt Emergency Relief	0	40,100	0	0	(20,100)	20,000
TRAM (River of Life)	2,603	0	384	(26)	(45)	2,916
TOTAL HELD FOR THE BENEFIT OF OTHERS	164,674	151,520	25,209	(2,750)	(103,450)	235,203