

**The Foundation for Lincoln Public Schools**

**Auditor's Report and Financial  
Statements**

**For the Years Ended  
August 31, 2024 and 2023**



**BUCKLEY & SITZMAN**

**The Foundation for Lincoln Public Schools  
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August 31, 2024 and 2023**

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
The Foundation for Lincoln Public Schools  
Lincoln, Nebraska

***Opinion***

We have audited the accompanying financial statements of The Foundation for Lincoln Public Schools (a nonprofit organization), which comprise the statements of financial position as of August 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Foundation for Lincoln Public Schools as of August 31, 2024 and 2023, 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. 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 The Foundation for Lincoln Public Schools 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 The Foundation for Lincoln Public Schools' ability to continue as a going concern within one year after the date that the 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 The Foundation for Lincoln Public Schools' 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 The Foundation for Lincoln Public Schools' 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.

*Buckley & Sitzman, LLP*  
Buckley & Sitzman, LLP

Lincoln, Nebraska  
December 30, 2024

**The Foundation for Lincoln Public Schools**  
**Statements of Financial Position**  
**August 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 231,215	\$ 82,045
Grants Receivable	89,362	-
Accounts Receivable	-	222
Interest Receivable	44,950	-
Prepaid Expenses	62,027	45,477
Unconditional Promises to Give	662,310	791,036
<b>Total Current Assets</b>	<b>\$ 1,089,864</b>	<b>\$ 918,780</b>
<b>Property and Equipment</b>		
Furniture and Equipment	\$ 15,116	\$ 15,116
Software and Website	77,011	77,011
	<b>\$ 92,127</b>	<b>\$ 92,127</b>
Less: Accumulated Depreciation	92,127	92,127
<b>Total Property and Equipment</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Assets</b>		
Cash and Cash Equivalents	\$ 5,825,997	\$ 4,270,465
Investments - Securities, at Market	12,558,230	11,272,340
Unconditional Promises to Give, Net of Allowance for Uncollectible Promises of \$88,281 and \$63,521 in 2024 and 2023, Respectively	808,885	348,513
Cash Surrender Value - Life Insurance	24,348	24,669
<b>Total Other Assets</b>	<b>\$ 19,217,460</b>	<b>\$ 15,915,987</b>
<b>Total Assets</b>	<b>\$ 20,307,324</b>	<b>\$ 16,834,767</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 79,689	\$ 55,164
Accrued Payroll and Vacation Payable	60,040	62,268
Deferred Grant Revenue	-	13,770
Sales Tax Payable	340	-
<b>Total Liabilities</b>	<b>\$ 140,069</b>	<b>\$ 131,202</b>
<b>Net Assets</b>		
Without Donor Restrictions	\$ 426,852	\$ 456,023
Without Donor Restrictions - Board Designated	2,076,650	1,967,435
With Donor Restrictions	17,663,753	14,280,107
<b>Total Net Assets</b>	<b>\$ 20,167,255</b>	<b>\$ 16,703,565</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 20,307,324</b>	<b>\$ 16,834,767</b>

See accompanying notes and accountant's report

**The Foundation for Lincoln Public Schools**  
**Statement of Activities**  
**For the Year Ended August 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Total</b>
<b>Support and Revenue</b>			
Contributions	\$ 288,778	\$ 3,000,304	\$ 3,289,082
Grant Revenue	118,020	578,550	696,570
Registrations	196,931	-	196,931
Contributions - Fund A Need	-	155,614	155,614
Investment Income, Net	512,600	1,662,423	2,175,023
Other Revenue	1,743	1,230	2,973
Net Assets Released from Restrictions	2,014,475	(2,014,475)	-
<b>Total Support and Revenue</b>	<b>\$ 3,132,547</b>	<b>\$ 3,383,646</b>	<b>\$ 6,516,193</b>
<b>Expenses</b>			
Program Services	\$ 2,310,777	\$ -	\$ 2,310,777
Support Services			
Fundraising Expenses	135,741	-	135,741
General and Administrative	605,985	-	605,985
<b>Total Expenses</b>	<b>\$ 3,052,503</b>	<b>\$ -</b>	<b>\$ 3,052,503</b>
<b>Change in Net Assets</b>	<b>\$ 80,044</b>	<b>\$ 3,383,646</b>	<b>\$ 3,463,690</b>
<b>Net Assets, Beginning of Period</b>	<b>2,423,458</b>	<b>14,280,107</b>	<b>16,703,565</b>
<b>Net Assets, End of Period</b>	<b>\$ 2,503,502</b>	<b>\$ 17,663,753</b>	<b>\$ 20,167,255</b>

See accompanying notes and accountant's report

**The Foundation for Lincoln Public Schools  
Statement of Functional Expenses  
For the Year Ended August 31, 2024**

	<u>Program Services</u>			<u>Support Services</u>		<b>2024 Total</b>
	<b>Goals and Purposes of Lincoln Public Schools</b>	<b>Fund A Need</b>	<b>Spark Summer Learning</b>	<b>Fundraising</b>	<b>General and Administrative</b>	
Scholarships, Grants and Awards	\$ 1,239,000	\$ 89,094	\$ 56,943	\$ -	\$ -	\$ 1,385,037
Salaries	431,937	-	218,675	111,406	218,356	980,374
Fringe Benefits	61,622	-	4,550	11,331	22,209	99,712
Payroll Taxes	40,302	-	16,426	9,714	19,038	85,480
Contractual Services	14,388	3,000	24	-	-	17,412
Office Supplies	-	-	29	-	2,391	2,420
Interest Expense	-	-	-	-	8	8
Uncollectible Promises to Give	73,958	-	-	-	-	73,958
Professional Fees	-	-	279	-	139,407	139,686
Advertising and Promotion	21,639	500	3,547	-	-	25,686
Insurance	-	-	1,443	-	9,944	11,387
Dues and Subscriptions	-	-	2,427	-	11,219	13,646
Meeting Expense	-	-	-	-	9,032	9,032
Special Events	-	-	-	3,290	-	3,290
Printing and Newsletter	-	-	1,013	-	54,241	55,254
Postage	-	-	12	-	21,044	21,056
Travel and Transportation	-	-	291	-	17,291	17,582
On-line Merchant Fees	-	-	4,409	-	15,717	20,126
Technology	-	-	23	-	51,681	51,704
Rent	-	-	25,246	-	11,052	36,298
Miscellaneous Expense	-	-	-	-	3,355	3,355
<b>Total Expenses</b>	<u>\$ 1,882,846</u>	<u>\$ 92,594</u>	<u>\$ 335,337</u>	<u>\$ 135,741</u>	<u>\$ 605,985</u>	<u>\$ 3,052,503</u>

See accompanying notes and accountant's report

**The Foundation for Lincoln Public Schools**  
**Statement of Activities**  
**For the Year Ended August 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>
<b>Support and Revenue</b>			
Contributions	\$ 369,040	\$ 3,307,775	\$ 3,676,815
Grant Revenue	229,840	100,000	329,840
Registrations - Spark Summer Learning	155,369	1,500	156,869
Contributions - Fund A Need	-	98,599	98,599
Investment Income, Net	281,156	659,263	940,419
Other Revenue	2,775	849	3,624
Net Assets Released from Restrictions	4,335,021	(4,335,021)	-
<b>Total Support and Revenue</b>	<b>\$ 5,373,201</b>	<b>\$ (167,035)</b>	<b>\$ 5,206,166</b>
<b>Expenses</b>			
Program Services	\$ 4,420,422	\$ -	\$ 4,420,422
Support Services			
Fundraising Expenses	412,848	-	412,848
General and Administrative	528,186	-	528,186
<b>Total Expenses</b>	<b>\$ 5,361,456</b>	<b>\$ -</b>	<b>\$ 5,361,456</b>
<b>Change in Net Assets</b>	<b>\$ 11,745</b>	<b>\$ (167,035)</b>	<b>\$ (155,290)</b>
<b>Net Assets, Beginning of Period</b>	<b>2,411,713</b>	<b>14,447,142</b>	<b>16,858,855</b>
<b>Net Assets, End of Period</b>	<b>\$ 2,423,458</b>	<b>\$ 14,280,107</b>	<b>\$ 16,703,565</b>

See accompanying notes and accountant's report



**The Foundation for Lincoln Public Schools  
Statement of Functional Expenses  
For the Year Ended August 31, 2023**

	<u>Program Services</u>			<u>Support Services</u>		<b>2023 Total</b>
	<b>Goals and Purposes of Lincoln Public Schools</b>	<b>Fund A Need</b>	<b>Spark Summer Learning</b>	<b>Fundraising</b>	<b>General and Administrative</b>	
Scholarships, Grants and Awards	\$ 3,650,009	\$ 77,540	\$ 87,782	\$ -	\$ -	\$ 3,815,331
Salaries	193,163	-	149,552	342,715	188,157	873,587
Fringe Benefits	31,893	-	2,817	34,709	19,056	88,475
Payroll Taxes	14,278	-	10,968	25,246	13,860	64,352
Contractual Services	25,521	-	3,264	-	-	28,785
Office Supplies	-	-	301	-	4,455	4,756
Interest Expense	-	-	-	-	23	23
Uncollectible Promises to Give	63,521	-	-	-	-	63,521
Professional Fees	-	-	-	-	127,784	127,784
Advertising and Promotion	74,215	-	18,486	-	-	92,701
Insurance	-	-	-	-	5,551	5,551
Dues and Subscriptions	-	-	370	-	27,190	27,560
Meeting Expense	-	-	-	-	5,287	5,287
Special Events	-	-	96	10,178	-	10,274
Printing and Newsletter	-	-	-	-	29,643	29,643
Postage	-	-	-	-	19,691	19,691
Travel and Transportation	-	-	793	-	24,112	24,905
On-line Merchant Fees	-	-	3,760	-	12,320	16,080
Technology	-	-	2,630	-	44,268	46,898
Rent	-	-	9,206	-	-	9,206
Miscellaneous Expense	-	-	257	-	6,789	7,046
<b>Total Expenses</b>	<u>\$ 4,052,600</u>	<u>\$ 77,540</u>	<u>\$ 290,282</u>	<u>\$ 412,848</u>	<u>\$ 528,186</u>	<u>\$ 5,361,456</u>

See accompanying notes and accountant's report

**The Foundation for Lincoln Public Schools**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 3,463,690	\$ (155,290)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Realized and Unrealized Gain on Investments	(1,635,587)	(483,596)
Contributions Restricted for Long-Term Investment	(21,024)	(34,742)
Donated Securities	(25,894)	(400)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	222	1,734
Prepaid Expenses	(16,550)	(28,017)
Unconditional Promises to Give	(331,646)	(442,564)
Cash Surrender Value	321	202
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	24,525	(36,348)
Accrued Payroll and Vacation Payable	(2,228)	10,421
Deferred Grant Revenue	(13,770)	13,770
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,353,037</b>	<b>\$ (1,154,830)</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sale of Investments	\$ 1,902,939	\$ 1,407,902
Purchase of Investments	(1,200,227)	(1,044,143)
Reinvested Interest and Dividends on Investments	(372,071)	(366,591)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>\$ 330,641</b>	<b>\$ (2,832)</b>
<b>Cash Flows from Financing Activities:</b>		
Contributions Restricted for Long-Term Investment	\$ 21,024	\$ 34,742
<b>Net Cash Provided by Financing Activities</b>	<b>\$ 21,024</b>	<b>\$ 34,742</b>
<b>Net Change in Cash and Cash Equivalents Balance</b>	<b>\$ 1,704,702</b>	<b>\$ (1,122,920)</b>
Cash and Cash Equivalents Balance, Beginning of Year	4,352,510	5,475,430
<b>Cash and Cash Equivalents Balance, End of Year</b>	<b>\$ 6,057,212</b>	<b>\$ 4,352,510</b>

See accompanying notes and accountant's report

**The Foundation for Lincoln Public Schools**  
**Notes to Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**

**1. Summary of Significant Accounting Policies**

**General Description** – The Foundation for Lincoln Public Schools (Foundation) is a not-for-profit corporation established in 1989 to act as a public foundation, operated exclusively for the benefit of, and to support and carry out the goals and purposes of the Lincoln Public Schools. The Foundation receives funding primarily from contributions and grants for the promotion of its mission.

**Accounting Method** – The financial statements have been prepared on the accrual basis.

**Investments and Investment Income, Net** – Marketable securities and exchange traded funds (ETFs) are stated at the closing price reported on the active market. Securities and ETFs traded on a national securities exchange are valued at the last reported sales price on the last business day of the Foundation year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Mutual funds are valued at the net asset value (NAV) of shares held by the Foundation at year end.

Investment income includes dividend, interest and other investment income, as well as realized and unrealized gains and losses on investments carried at fair value. Investment expenses of \$47,653 and \$43,201 at August 31, 2024 and 2023, respectively, are netted against investment income.

Investment income that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as 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 the majority of its investments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual projects based on the relationship of the average fair value of each project to the total average fair value of the pooled investment accounts.

**Property and Equipment** – Capital purchases with a cost greater than \$2,500 and a normal useful life of at least one year are capitalized. Any capital purchase of \$1,000 or more must be approved by the board treasurer prior to acquisition. Property and equipment (furniture, equipment and software) are recorded at cost or, if donated, at fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to ten years.

**Advertising** – The Foundation expenses advertising costs when incurred.

**The Foundation for Lincoln Public Schools**  
**Notes to Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Financial Statement Presentation** – The financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities, which requires the Foundation to classify its net assets into two categories based on the existence or absence of donor-imposed restrictions; net assets with donor-imposed restrictions and net assets without donor-imposed restrictions.

**Net assets with donor restrictions**

Those whose use by the Foundation has been limited by donors to a specific time period or purpose, and those that the Foundation is required to hold in perpetuity.

**Net assets without donor restrictions**

Those not subject to donor-imposed restrictions. The Foundation reports all expenditures in this class of net assets, since the use of restricted net assets in accordance with donors' stipulations results in the release of the restriction.

**Unconditional Promises to Give** – Unconditional promises to give consist of pledges from donors. Unconditional promises to give (pledges) are recorded when the donor makes a promise to give, and allowances are provided for promises estimated to be uncollectible. Unconditional promises to give that are due in the next year are reflected as current promises to give. Unconditional promises expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. An allowance for credit losses is provided based on management's evaluation of potential uncollectible promises receivable at year-end.

**Contributions** – Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as net assets with donor restrictions. 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 statement of activities as net assets released from donor restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

**Contributed Materials and Services**

The Foundation records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

**The Foundation for Lincoln Public Schools**  
**Notes to Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Income Taxes** – The Foundation qualifies as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes, except on income derived from unrelated business income. Management has determined that there was no unrelated business income for the years ended August 31, 2024 and 2023 and accordingly, no provision for federal or state income taxes is required.

The Foundation adopted the income tax standard related to the recognition and measurement of uncertain tax positions. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of August 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Foundation’s open tax years are 2021 through 2024.

**Use of Estimates** – Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Functional Expenses** – The costs of providing various programs and other activities have been summarized on a functional basis within the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The allocations are based on the estimated percentage of time and resources attributable to each program or supporting function.

**Revenue Recognition** – The Foundation follows ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”).

**Contributions**

Contributions that do not meet the definition of an exchange transaction in accordance with ASU 2014-09 are accounted for under the guidance in ASC 958, Not-for-Profit Entities. The Foundation’s revenues consist primarily of contributions, which are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted are reported as net increases in net assets with donor restrictions unless the restrictions expire in the same fiscal year in which the contributions are recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Concentrations** – The Foundation invests in professionally managed funds that contain various types of marketable securities. Such investments are exposed to various risks, such as fluctuation in market value and credit risk. Thus, it is at least reasonably possible that changes in these risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

**The Foundation for Lincoln Public Schools**  
**Notes to Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Subsequent Events** – In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through the report date, which is the date the financial statements were available to be issued and concluded that no additional disclosures are required.

**Leases** – Effective September 1, 2022, the Foundation adopted Accounting Standards Update 2016-02, Leases (Topic 842) (“ASU 2016-02”) using the modified retrospective transition method, which allows for a cumulative-effect adjustment through net assets at the date of initial application. There was no cumulative-effect adjustment recorded as the Foundation’s adoption of ASU 2016-02 did not have a material impact on the statement of activities and changes in net assets.

Upon adoption of ASU 2016-02, the Foundation elected the transition relief practical expedients which specify that an entity does not need to reassess initial direct costs for existing leases, the lease classification for expired or existing leases, and whether any expired or existing contracts contain leases.

The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the accompanying statements of financial position for all leases. The Foundation has elected the short-term lease practical expedient to exclude leases with terms of 12 months or less from recognition on the accompanying statements of financial position. The Foundation does not have any leases with terms in excess of 12 months; therefore, no ROU assets or lease liabilities have been reflected in the Statements of Financial Position of the Foundation at August 31, 2024 and 2023.

**Reclassifications** – Certain prior year amounts have been reclassified to conform to the 2024 financial statement presentation. These reclassifications had no effect on the reported change in net assets.

**2. Retirement Plan**

Employees may elect to participate in the Foundation’s Simple IRA plan. Employees that are eligible may direct the Foundation to contribute a percentage of their compensation on a pretax basis to their Simple IRA. The Foundation will make a matching contribution equal to 100% of elective deferrals up to 3% of each employee’s compensation for the calendar year. The Foundation’s expense related to this plan was \$24,355 and \$21,321 for the years ended August 31, 2024 and 2023, respectively.

**3. Cash and Cash Equivalents**

The Company occasionally maintains cash balances in its bank accounts that exceed federally insured limits. The Company experienced no losses in such accounts during the years ended August 31, 2024 and 2023, respectively.

**The Foundation for Lincoln Public Schools**  
**Notes to Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**

**3. Cash and Cash Equivalents (Continued)**

For purposes of the statement of cash flows, cash equivalents include resources invested in money market funds.

Cash equivalents consist of the following at August 31:

	<b>2024</b>	<b>2023</b>
<b>Funds without donor restrictions</b>		
Cash in Checking and STFIT	\$ (49,965)	\$ 80,558
Money Market Funds and CD's	281,180	1,487
	\$ 231,215	\$ 82,045
 <b>Funds with donor restrictions</b>		
Cash in Checking and STFIT	\$ 1,881,280	\$ 3,731,823
Money Market Funds and CD's	3,944,717	538,642
	\$ 5,825,997	\$ 4,270,465

**4. In-Kind Contributions**

Donated rent, materials, equipment, and some services, are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated items, rent and services valued at \$29,533 and \$36,771 are included in contribution revenue for the year ended August 31, 2024 and 2023, respectively, and are recorded at their estimated fair value at the date of the gift.

The Foundation uses office space provided by the Lincoln Public Schools. No rent is paid by the Foundation for the use of this office space or for the related utilities.

The value of donated volunteer services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time.

The estimated value of donated items for the years ended August 31 consisted of the following:

	<b>2024</b>	<b>2023</b>
Accounting	\$ 4,500	\$ 4,250
Miscellaneous	520	425
Food and Beverage	3,281	204
Rent	11,050	-
Advertising and Promotion	10,182	31,892
	\$ 29,533	\$ 36,771

**The Foundation for Lincoln Public Schools**  
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**5. Board Designated Net Assets**

The Board of Directors has designated certain funds without donor restrictions for payment of expenses in support of the major gifts campaign and general operations of the Foundation. Certain funds without donor restrictions are also designated as an endowment for future support of the Foundation.

Board designated assets for the years ended August 31 consisted of the following:

	<u>2024</u>	<u>2023</u>
Board designated for general operations	\$ 886,084	\$ 877,799
Board designated for endowment	1,190,566	1,089,636
	<u>\$ 2,076,650</u>	<u>\$ 1,967,435</u>

**6. Net Assets with Donor Restrictions**

Net assets with donor restrictions at August 31 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Donor stipulated scholarships, programs and awards	\$ 7,187,447	\$ 6,378,660
Pass-through scholarships, programs and awards	6,674,062	4,516,072
Scholarships	1,029,342	916,903
Playground Endowment	312,343	270,809
Champions Circle	1,272,173	1,159,824
Other Programs	1,188,386	1,037,839
	<u>\$ 17,663,753</u>	<u>\$ 14,280,107</u>

**7. Unconditional Promises to Give**

Unconditional promises to give consisted of the following at August 31:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 662,310	\$ 791,036
One to five years	1,103,305	479,385
	1,765,615	1,270,421
Less		
Allowance for credit losses	(88,281)	(63,521)
Amortized discount @ 8.5% interest rate	(206,139)	(67,351)
	<u>\$ 1,471,195</u>	<u>\$ 1,139,549</u>



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**8. Investment and Investment Income, Net**

Investments in securities consisted of fixed, equity and exchange traded funds with an estimated fair market value of \$12,558,230 and \$11,272,340, and cost of \$10,236,380 and \$9,897,224, as of August 31, 2024 and 2023, respectively.

Total investment income (loss) at August 31 is comprised of the following:

	2024	2023
Interest and dividend income	\$ 587,089	\$ 500,024
Net realized and unrealized gain on investments	1,635,587	483,596
Investment expenses	(47,653)	(43,201)
	\$ 2,175,023	\$ 940,419

**9. Fair Value of Investments**

The Foundation follows FASB ASC 820-10 which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820-10 defines fair value as 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. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes 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 active 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 that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

For the years ended August 31, 2024 and 2023, the application of valuation techniques, applied to similar assets and liabilities, has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments – The fair value of investments is the market value based on quoted market prices, when available or market prices provided by recognized broker dealers.

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**9. Fair Value of Investments (Continued)**

Investments – Real estate is recorded at the estimated fair value based on the fair market value appraisal provided by real estate professionals.

Investments – Cash value life insurance is recorded based on the fair market estimate provided by insurance professionals.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The net realized and unrealized gains and losses are reflected in the statements of activities at August 31, 2024 and 2023.

Financial instruments included in the Foundation’s statements of financial position as of August 31, 2024 and 2023, which are not required to be measured at fair value on a recurring basis, include cash equivalents and accounts payable. The carrying amounts approximate fair value due to the short maturity of these instruments.

The following tables represents assets that are measured at fair value at August 31, 2024 and 2023:

<b>2024</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cap Mutual Funds	\$ 6,002,372	\$ -	\$ -	\$ 6,002,372
Exchange Traded Funds	1,899,976	-	-	1,899,976
International Mutual Funds	826,288	-	-	826,288
Fixed Income Mutual Funds	3,829,594	-	-	3,829,594
Cash Value Life Insurance	-	-	24,348	24,348
	<u>\$ 12,558,230</u>	<u>\$ -</u>	<u>\$ 24,348</u>	<u>\$ 12,582,578</u>

<b>2023</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cap Mutual Funds	\$ 5,282,080	\$ -	\$ -	\$ 5,282,080
Exchange Traded Funds	1,534,420	-	-	1,534,420
International Mutual Funds	702,314	-	-	702,314
Fixed Income Mutual Funds	3,753,526	-	-	3,753,526
Cash Value Life Insurance	-	-	24,669	24,669
	<u>\$ 11,272,340</u>	<u>\$ -</u>	<u>\$ 24,669</u>	<u>\$ 11,297,009</u>

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**9. Fair Value of Investments (Continued)**

The changes in Level 3 assets measured at fair value on a recurring basis are summarized below for the years ended August 31:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 24,669	\$ 24,871
Investment income	-	-
Net realized and unrealized gains	(321)	(202)
Purchases, sales, issuances and settlements, net	-	-
Balance, end of year	\$ 24,348	\$ 24,669

**10. Transactions with Affiliates**

By its nature, the Foundation engages in transactions with Lincoln Public Schools. The Foundation makes contributions exclusively for charitable, scientific or educational purposes of Lincoln Public Schools. The Foundation reimburses Lincoln Public Schools for expenses incurred on behalf of the Foundation.

**11. Endowment Funds**

The Foundation previously adopted FASB ASC 958-205, “*Endowments of Not-For-Profit Organizations-Net Assets Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds (FSP).*”

The Foundation’s governing body has interpreted the State of Nebraska Prudent Management of Institutional Funds Act (SPMIFA) as not requiring the preservation of the original gift value unless the donor specifically indicates that the Foundation must maintain the fair value of the original gift amount. As required by generally accepted accounting principles, all donor-designated endowments are recorded as net assets with donor restricted endowment assets at the fair values of the original gift amounts.

Gains from the investment of endowment gifts are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. The Foundation’s spending policy allows for appropriating 4% of the endowment fund balance at the beginning of each fiscal year for expenditure. SPMIFA includes a presumption that spending up to 7.0% of the fair value of endowment funds in one year to be prudent and amounts appropriated for spending may exceed actual realized earnings from endowments.

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**11. Endowment Funds (Continued)**

In determining the amount to appropriate, management takes into consideration:

1. The purposes of the Foundation and the restricted endowment funds
2. The duration and preservation of the funds
3. General economic conditions; the possible impacts of inflation or deflation
4. The expected total return from income and the appreciation of investments
5. The Foundation's investment policy

To satisfy its long-term rate of return objective, the Foundation relies on 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 maintains a balanced portfolio of equities and fixed income investments in order to achieve its long-term objectives consistent with the preservation of capital.

Net classification by type of endowment as of August 31, 2024 and 2023:

<b>2024</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 3,802,244	\$ 3,802,244
Board-designated endowment funds	1,190,566	-	1,190,566
<b>Total</b>	<b>\$ 1,190,566</b>	<b>\$ 3,802,244</b>	<b>\$ 4,992,810</b>

<b>2023</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 3,385,375	\$ 3,385,375
Board-designated endowment funds	1,089,636	-	1,089,636
<b>Total</b>	<b>\$ 1,089,636</b>	<b>\$ 3,385,375</b>	<b>\$ 4,475,011</b>

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**11. Endowment Funds (Continued)**

Changes in endowment net assets for the years ended August 31, 2024 and 2023:

<b>2024</b>	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net assets, beginning of year	\$ 1,089,636	\$ 3,385,375	\$ 4,475,011
Investment return:			
Net investment income	25,681	99,131	124,812
Net realized and unrealized gains	<u>143,493</u>	<u>480,863</u>	<u>624,356</u>
Total investment return	169,174	579,994	749,168
Contributions	-	21,024	21,024
Appropriations	<u>(68,244)</u>	<u>(184,149)</u>	<u>(252,393)</u>
Net assets, end of year	<u><u>\$ 1,190,566</u></u>	<u><u>\$ 3,802,244</u></u>	<u><u>\$ 4,992,810</u></u>

<b>2023</b>	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net assets, beginning of year	\$ 1,087,633	\$ 3,281,535	\$ 4,369,168
Investment return:			
Net investment income	24,684	100,420	125,104
Net realized and unrealized gains	<u>45,306</u>	<u>136,783</u>	<u>182,089</u>
Total investment return	69,990	237,203	307,193
Contributions	-	34,742	34,742
Appropriations	<u>(67,987)</u>	<u>(168,105)</u>	<u>(236,092)</u>
Net assets, end of year	<u><u>\$ 1,089,636</u></u>	<u><u>\$ 3,385,375</u></u>	<u><u>\$ 4,475,011</u></u>

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**12. Liquidity and Availability**

The Foundation's financial assets available within one year of the balance sheet date for general expenditures as of August 31, are as follows:

	<u>2024</u>	<u>2023</u>
Total assets at year end	\$ 20,307,324	\$ 16,834,767
Less:		
Promises to give due in more than one year	(808,885)	(348,513)
Cash surrender value of life insurance	(24,348)	(24,669)
Cash and cash equivalents subject to purpose restriction	(5,825,997)	(4,270,465)
Investments subject to purpose restrictions	(11,088,845)	(9,823,529)
Board designated investments	<u>(1,190,566)</u>	<u>(1,089,636)</u>
Financial assets available within one year for general expenditure:	<u>\$ 1,368,683</u>	<u>\$ 1,277,955</u>

The Foundation's restricted investment funds are not available for general expenditure. With committee approval, they are available for expenditure based on their specified purpose. Additionally, although the board does not intend to spend from their board-designated funds, with board approval, amounts could be made available if necessary.

**13. New Accounting Guidance Implementation**

As of September 1, 2023, the Foundation implemented the new accounting standard for expected credit losses in the Financial Accounting Standard Board's Account Standards Codification 326, Financial Instruments – Credit Losses. The new guidance requires management to estimate its expected credit losses of accounts receivable utilizing historical information, current conditions, and supportable forecasts, and to establish a reserve for potential credit losses. After consideration of the changes in the accounting standards, no prior year adjustment was necessary upon adoption.