OMAHA COMMUNITY FOUNDATION

Combined Financial Statements

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 300
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Omaha, NE 68114-2274

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
Omaha Community Foundation:

We have audited the accompanying combined financial statements of the Omaha Community Foundation and its supporting foundations (collectively, the Foundation), which comprise the combined statements of financial position as of December 31, 2014 and 2013, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly in all material respects, the financial position of the Omaha Community Foundation and its supporting foundations as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Omaha, Nebraska
June 10, 2015

OMAHA COMMUNITY FOUNDATION

Combined Statements of Financial Position

December 31, 2014 and 2013

Assets	**2014**	**2013**
Cash and cash equivalents	$ 81,751,463	99,637,267
Accrued interest receivable	2,608,682	2,730,799
Pledges receivable	946,000	870,529
Beneficial interest in charitable lead annuity trust	143,595,793	139,580,956
Other receivables and accounts receivable	1,274,340	2,207,852
Other assets	1,374,482	668,531
Note receivable	657,441	697,071
Investments, at fair value	778,896,480	687,473,465
Investment in real estate	3,016,674	2,101,104
Fixed assets:		
Building and improvements, land, furniture, and fixtures	2,541,315	2,874,249
Less accumulated depreciation	(934,726)	(1,303,314)
Fixed assets, net	1,606,589	1,570,935
Total assets	$ 1,015,727,944	937,538,509
Liabilities and Net Assets		
Liabilities:		
Grants payable	$ 139,222,593	81,319,403
Accounts payable and accrued liabilities	1,557,730	2,382,903
Annuities payable	2,384,355	2,024,230
Funds held for others	38,899,115	40,703,508
Deferred income	53,220	—
Total liabilities	182,117,013	126,430,044
Net assets:		
Unrestricted	621,199,660	605,663,284
Temporarily restricted	195,357,930	188,391,840
Permanently restricted	17,053,341	17,053,341
Total net assets	833,610,931	811,108,465
Total liabilities and net assets	$ 1,015,727,944	937,538,509

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Combined Statement of Activities

Year ended December 31, 2014

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues and gains:				
Contributions	$ 49,056,528	4,592,685	—	53,649,213
Interest and dividends	16,099,681	1,636,974	—	17,736,655
Change in beneficial interest in charitable lead annuity trust	—	7,381,304	—	7,381,304
Other income	4,707,662	20,326	—	4,727,988
Rental income	10,869,092	—	—	10,869,092
Net unrealized and realized gains on investments	77,244,059	2,064,677	—	79,308,736
Net assets released from restrictions	8,729,876	(8,729,876)	—	—
Total revenues and gains	166,706,898	6,966,090	—	173,672,988
Grants, expenses, and losses:				
Grants	133,040,119	—	—	133,040,119
Administrative expenses	7,123,535	—	—	7,123,535
Annuity interest expense	678,756	—	—	678,756
Property operating costs	7,173,850	—	—	7,173,850
Depreciation	109,186	—	—	109,186
Other expenses	3,045,076	—	—	3,045,076
Total grants, expenses, and losses	151,170,522	—	—	151,170,522
Increase in net assets	15,536,376	6,966,090	—	22,502,466
Net assets at beginning of year	605,663,284	188,391,840	17,053,341	811,108,465
Net assets at end of year	$ 621,199,660	195,357,930	17,053,341	833,610,931

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Combined Statement of Activities

Year ended December 31, 2013

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues and gains:				
Contributions	$ 100,604,757	145,501,843	100,000	246,206,600
Interest and dividends	15,647,026	1,401,200	—	17,048,226
Other income	4,664,913	15	—	4,664,928
Rental income	9,369,039	—	—	9,369,039
Net unrealized and realized gains on investments	67,396,533	6,900,328	—	74,296,861
Net assets released from restrictions	6,590,437	(6,590,437)	—	—
Total revenues and gains	204,272,705	147,212,949	100,000	351,585,654
Grants, expenses, and losses:				
Grants	93,239,633	—	—	93,239,633
Administrative expenses	5,672,183	—	—	5,672,183
Life insurance expense	430,241	—	—	430,241
Annuity interest expense	808,644	—	—	808,644
Property operating costs	8,694,925	—	—	8,694,925
Depreciation	123,568	—	—	123,568
Other expenses	1,421,864	—	—	1,421,864
Total grants, expenses, and losses	110,391,058	—	—	110,391,058
Increase in net assets	93,881,647	147,212,949	100,000	241,194,596
Net assets at beginning of year	511,781,637	41,178,891	16,953,341	569,913,869
Net assets at end of year	$ 605,663,284	188,391,840	17,053,341	811,108,465

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Combined Statements of Cash Flows

Years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Increase in net assets	$ 22,502,466	241,194,596
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	109,186	123,568
Net unrealized and realized gains on investments	(79,308,736)	(74,296,861)
Contributions restricted for long-term investment	(4,592,685)	(5,455,873)
Stock contribution	—	(80,379,620)
Donation of real estate	(915,570)	—
Beneficial interest in charitable lead annuity trust	(7,381,304)	(140,145,970)
Payment received on beneficial interest in charitable lead annuity trust	3,366,467	565,014
Gain (loss) on disposal of fixed assets	31,848	(4,520)
Property donated and included in grant expense	938,054	6,885,638
Changes in assets/liabilities:		
Accrued interest receivable	122,117	331,637
Pledges receivable	(75,471)	409,471
Other receivables and accounts receivable	933,512	(739,282)
Other assets	(705,951)	(377,106)
Grants payable	57,855,002	26,235,096
Accounts payable and accrued liabilities	(825,173)	849,455
Annuities payable	360,125	497,835
Deferred income	53,220	—
Funds held for others	(1,804,393)	12,143,438
Net cash used in operating activities	(9,337,286)	(12,163,484)
Cash flows from investing activities:		
Capital expenditures	(1,066,554)	(6,947,275)
Purchases of investments	(197,395,809)	(107,472,277)
Sales of investments	185,281,530	168,961,602
Repayments of notes receivable	39,630	11,038,460
Net cash provided by (used in) investing activities	(13,141,203)	65,580,510
Cash flows from financing activity:		
Proceeds from contributions restricted for long-term investment	4,592,685	5,455,873
Net increase (decrease) in cash and cash equivalents	(17,885,804)	58,872,899
Cash and cash equivalents at beginning of year	99,637,267	40,764,368
Cash and cash equivalents at end of year	$ 81,751,463	99,637,267
Supplemental disclosures of noncash investing and financing activities:		
Stock contribution	$ 32,157,181	80,379,620
Property donated as grant	938,054	6,885,638
Donation of real estate	915,570	—

See accompanying notes to combined financial statements.

(1) Organization

The Omaha Community Foundation (the Foundation) was incorporated on March 22, 1982 under the laws of the State of Nebraska as a nonprofit corporation. The mission of the Foundation is to enhance the quality of life of the citizens of the greater Omaha community by identifying and addressing current and anticipated community needs and raising, managing, and distributing funds for charitable purposes in the areas of civic, cultural, health, education, and social services. Revenues and gains are primarily derived from donations and investment income.

The combined financial statements include the accounts of the Foundation and its affiliated supporting foundations. The supporting foundations are tax-exempt organizations whose sole purpose is to further the mission of the Foundation. All significant intercompany transactions have been eliminated. The supporting foundations and the dates established are as follows:

Supporting foundation	Date established
Suzanne and Walter Scott Foundation	August 27, 1990
Partnership 4 Kids, Inc. and All Our Kids, Inc. Foundation (The Partnership For Our Kids)	December 28, 1992
Mammel Family Foundation	December 31, 1994
Dixon Family Foundation	December 31, 1995
The David Scott Foundation	December 31, 1995
Amy L. Scott Family Foundation	December 31, 1995
Parker Family Foundation	December 31, 1995
Southwest Iowa Foundation	June 18, 1996
Amis Foundation	July 25, 1996
The McGowan Family Foundation	August 22, 1996
The Enrichment Foundation	October 25, 1996
The Nelson Family Foundation	December 16, 1997
William & Ruth Scott Family Foundation	November 17, 1998
The Faith Charitable Trust	December 22, 1999
Maginn Family Foundation	December 15, 2000
Carmen and John Gottschalk Foundation	June 24, 2004
William and Barbara Fitzgerald Family Foundation	October 20, 2005
Building Healthy Futures	April 6, 2012

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturity of three months or less when purchased, excluding those amounts held as part of the investment portfolio.

(b) Use of Estimates

The preparation of combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(c) Investments

Investments, including equity and debt securities, are reported at fair value. Investments in securities traded on a national securities exchange are valued at the latest quoted market prices. Investments in certain closely held stock and real estate are estimated based on independent appraisals and information provided by the respective companies. Certain investments in funds that do not have readily determinable fair values including partnerships, certain closely held stock, and certain mutual funds are estimated using net asset value per share or its equivalent as a practical expedient to fair value.

Realized gains and losses on sales of investments are recognized in the combined statements of activities as specific investments are sold. Interest income is recognized as earned. Dividend income is recognized on the ex-dividend date. All realized and unrealized gains and losses and income arising from investments are recognized in the combined statements of activities as increases or decreases to unrestricted net assets unless their use is restricted by donor stipulation or law.

(d) Fixed Assets

Fixed assets are stated at cost. Repairs and maintenance are charged to expense as incurred. Depreciation is computed by using the straight-line method over an estimated useful life of five years for furniture and fixtures, 15 years for building improvements, and 39 years for building.

Gifts of long-lived assets such as land, buildings, or furniture and fixtures are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

Upon sale or retirement, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is recognized in the combined statements of activities.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized based on current estimated fair value.

During 2014 and 2013, a supporting foundation paid for certain property improvements of $938,054 and $6,885,638, respectively, which were donated to the University of Nebraska. The donated amounts are reflected in grants expense in the accompanying combined statements of activities.

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(e) Funds Held for Others

Funds held for others represent funds held in a fiduciary capacity. Contributors are able to deposit funds and subsequently direct discretionary disbursements to charitable organizations as they wish. The Foundation receives a percentage of the interest income from these contributions. The transactions of these funds are not reflected in the combined statements of activities as the Foundation is acting as an agent for these funds.

(f) Basis of Presentation

Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying combined financial statements, net assets that have similar characteristics have been combined into similar categories.

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

- Unrestricted net assets account for resources that have not been designated by donors or grantors for other purposes.
- Temporarily restricted net assets consist of contributions that are donor-designated or grantor-designated for specific projects/purposes of the Foundation. Distributions are released from restriction from this portion of net assets for those specified purposes.
- Permanently restricted net assets represent the principal amount of gifts accepted with the donors’ stipulation that the principal be maintained in perpetuity. Net assets are expended according to donor/fund agreements that allow either only the income to be expended or the board of directors to set a spending policy (currently 4.5%). The assumption is that, at a 4.5% spending rate over the years, with gains/losses and interest included, the fund will remain in perpetuity.

(g) Donor-Restricted Gifts

Donor-restricted gifts are classified as permanently or temporarily restricted funds.

Endowment funds may be reported as permanently or temporarily restricted funds, depending on the nature of the donor-imposed restriction. The standards for classification of the endowment funds of the Foundation and for spending from those funds are set forth in note 10.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined financial statements.

(h) Income Taxes

The Foundation and supporting foundations have been recognized by the Internal Revenue Service as not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, are exempt from federal income tax under Section 501(a) of the Internal Revenue Code.

The Foundation accounts for uncertainties in accounting for income taxes using the guidance included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*. The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2014 and 2013, the Foundation had no uncertain tax positions.

(i) Contributed Services

Contributions of services are recognized if the services received (1) create or enhance nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2014 and 2013, there were no contributed services recognized.

(j) Fair Value of Financial Instruments

The Foundation applies the provisions included in ASC Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the combined financial statements. Fair value is defined 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.

The Foundation’s valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Foundation’s valuation methodologies 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 estimate of fair value at the reporting date.

The carrying value of all financial instruments approximates estimated fair value. Cash and cash equivalents, accrued interest receivable, pledges receivable, other receivables and accounts receivable, other assets, accounts payable, and accrued liabilities approximate fair value due to their short-term nature. Investment in real estate is stated at fair value. Funds held for others are based on the fair value of investments held. The carrying value of beneficial interest in charitable lead annuity trust, note receivable, annuities payable, and grants payable approximates fair value since the interest rates closely reflect current market rates.

(k) Concentration of Credit and Market Risk

The Foundation’s financial instruments consisting of cash and cash equivalents and investments potentially expose the Foundation to concentrations of credit and market risk. The Foundation maintains its cash and cash equivalents in bank accounts with banks in which the balances sometimes exceed federally insured limits. These banks are insured by the Federal Deposit Insurance Corporation

(Continued)

(FDIC) with coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules.

(l) Beneficial Interest in Charitable Lead Annuity Trust

The Foundation is the irrevocable beneficiary of a charitable lead annuity trust and receives annual distributions from the trust, which is administered by a trustee. The beneficial interest in the charitable lead annuity trust is recorded at fair value, which is determined as the present value of the estimated future distributions to be received by the Foundation. The beneficial interest is classified under temporarily restricted net assets and is adjusted annually through the combined statements of activities to reflect estimated fair value at year-end.

(3) Investments

The cost and fair value of investments at December 31, 2014 and 2013 are as follows:

	2014		2013	
	Cost	**Fair value**	**Cost**	**Fair value**
Certificate of deposit	$ 320,500	320,500	320,500	320,500
U.S. Treasury and Agency securities	20,506,143	20,432,763	20,270,493	20,055,038
Corporate bonds	209,439,228	211,065,843	190,664,740	193,505,930
Common stock	196,884,820	348,431,596	198,728,639	285,345,656
Preferred stock	793,031	67,309	820,231	90,036
Closely held stock	9,566,568	21,989,992	6,085,503	17,160,503
Mutual funds	146,863,573	160,319,714	125,943,429	152,533,953
Partnerships	3,930,349	13,869,701	4,188,003	14,705,762
Other	154,730	189,043	154,730	188,456
Foreign equities	1,583,130	2,210,019	2,858,650	3,567,631
Investment in real estate	3,016,674	3,016,674	2,101,104	2,101,104
Total	$ 593,058,746	781,913,154	552,136,022	689,574,569

The change in the unrealized gains and losses recognized during the years ended December 31, 2014 and 2013 was $51,415,861 and $67,484,205, respectively. The realized gains and losses recognized during the years ended December 31, 2014 and 2013 was $27,892,875 and $6,812,656, respectively.

The estimated value of certain alternative investments and nonmarketable securities, such as partnerships, and closely held stock was provided by the respective companies and independent appraisals. For these alternative investments, the Foundation used the net asset value reported by the underlying fund to estimate the fair value of the investment. Below is a summary of investments accounted for at net asset value:

	2014 Fair value	2013 Fair value	Redemption frequency (if currently eligible)	Redemption notice period
Equity funds (a)	$ 9,046,565	10,549,009	Monthly – quarterly	30–60 days
Multistrategy funds (b)	448,625	521,496	Monthly – quarterly	30–60 days
Private equity/venture capital funds (c)*	23,774,073	21,480,920	(c)	(c)
Real estate funds (d)	369,254	902,053	N/A	N/A
Other	72,142	66,802	N/A	N/A
	$ 33,710,659	33,520,280		

* One of the private equity funds invests in start-up projects. The fair value of the investment has been estimated using the net asset value of the supporting foundation's ownership interest in the partners' capital as a practical expedient to fair value. The private equity fund includes a restriction on the transfer of ownership.

(a) This category includes investments in funds that invest in both U.S. and international common stocks. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(b) The category includes investments in funds that invest in a mix of equities and fixed income. The fair values of the investments in this category have been estimated using the net asset value per share of the investment. As of December 31, 2014, the Foundation had unfunded commitments totaling $1.3 million relating to investments in this category.

(c) This category includes venture capital/private equity funds that invest primarily in private companies at various stages of development and maturity. The fair values of the investment in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. Of these investments, an investment valued at $18.2 million and $17.1 million at December 31, 2014 and 2013, respectively, can be redeemed annually in March, up to 100,000 units of ownership. The remaining investments in this category can never be redeemed with the fund. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next four to six years.

(d) This category includes real estate funds that invest primarily in stable, high-quality multifamily real estate properties. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next three to five years.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundation's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

(4) Fair Value Measurements

ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

- Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.
- A three-level hierarchy is established for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. To increase consistency and comparability in fair value measurements and related disclosures, the fair value 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 or 2013.

The fair value of all Level 1 assets was valued at quoted prices in active markets for identical assets.

The fair value of Level 2 common stock was valued based upon an agreed-upon transaction price that is supported by observable inputs.

The fair value of Level 2 corporate bonds and U.S. Treasury and Agency securities was valued using pricing models maximizing the use of observable inputs for similar securities.

The fair value of Level 2 closely held stock not held in private equity/venture capital funds was valued using actual sales price for sale of shares subsequent to year-end.

Assets measured at fair value at December 31, 2014 on a recurring basis are summarized below:

Description		December 31, 2014	Quoted assets in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	$	81,751,463	81,751,463	—	—
Certificates of deposit		320,500	320,500	—	—
U.S. Treasury and Agency securities		20,432,763	—	20,432,763	—
Corporate bonds		211,065,843	—	211,065,843	—
Common stocks		348,431,596	180,281,596	168,150,000	—
Preferred stock		67,309	67,309	—	—
Closely held stock		21,989,992	—	21,927,502	62,490
Mutual funds		160,319,714	158,745,702	1,574,012	—
Partnerships		13,869,701	—	7,472,553	6,397,148
Other		189,043	189,043	—	—
Foreign equities		2,210,019	2,210,019	—	—
Beneficial interest in charitable lead annuity trust		143,595,793	—	—	143,595,793
Investment in real estate		3,016,674	—	3,016,674	—
Total	$	1,007,260,410	423,565,632	433,639,347	150,055,431

Assets measured at fair value at December 31, 2013 on a recurring basis are summarized below:

Description		December 31, 2013	Quoted assets in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	$	99,637,267	99,637,267	—	—
Certificates of deposit		320,500	320,500	—	—
U.S. Treasury and Agency securities		20,055,038	—	20,055,038	—
Corporate bonds		193,505,930	—	193,505,930	—
Common stocks		285,345,656	161,445,656	123,900,000	—
Preferred stock		90,036	90,036	—	—
Closely held stock		17,160,503	—	17,086,510	73,993
Mutual funds		152,533,953	150,831,925	1,702,028	—
Partnerships		14,705,762	—	8,846,981	5,858,781
Other		188,456	188,456	—	—
Foreign equities		3,567,631	3,567,631	—	—
Beneficial interest in charitable lead annuity trust		139,580,956	—	—	139,580,956
Investment in real estate		2,101,104	—	2,101,104	—
Total	$	928,792,792	416,081,471	367,197,591	145,513,730

Certain investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is a practical expedient to estimate the fair value of the Foundation's interest therein, its classification in Level 2 or 3 is based on the Foundation's ability to redeem its interest at or near the date of the combined statements of financial position. If the interest can be redeemed in the near term, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

During 2013, there was a transfer from Level 3 to Level 1 due to an investment becoming listed on a stock exchange thereby enabling the investment to be valued using quoted prices in an active market. During 2014, there were no transfers between levels. The following table presents the Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2014:

		Partnerships	Closely held stock	Beneficial interest in CLAT	Total
Beginning balance	$	5,858,781	73,993	139,580,956	145,513,730
Unrealized gains		563,460	510	—	563,970*
Purchases		779,264	1,036,091	—	1,815,355
Change in value of beneficial interest		—	—	7,381,304	7,381,304
Payment received		—	—	(3,366,467)	(3,366,467)
Sales		(804,357)	(1,048,104)	—	(1,852,461)
Transfers in and out, net		—	—	—	—
Ending balance	$	6,397,148	62,490	143,595,793	150,055,431

* Included in net unrealized and realized gains (losses) on combined statement of activities

The following table presents the Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2013:

		Partnerships	Closely held stock	Beneficial interest in CLAT	Total
Beginning balance	$	6,308,720	184,825	—	6,493,545
Unrealized gains		222,463	8,098	—	230,561*
Purchases		332,720	59,759	—	392,479
Beneficial interest recorded		—	—	140,145,970	140,145,970
Payment received		—	—	(565,014)	(565,014)
Sales		(733,383)	(178,689)	—	(912,072)
Transfers in and out, net		(271,739)	—	—	(271,739)
Ending balance	$	5,858,781	73,993	139,580,956	145,513,730

* Included in net unrealized and realized gains (losses) on combined statement of activities

(Continued)

(5) Pledges Receivable

Pledges receivable are recognized at their fair value at the time of the gift. Unconditional pledges receivable at December 31, 2014 and 2013 are expected to be received in the following periods:

	2014	2013
One year or less	$ 946,000	870,529
One to two years	—	—
	946,000	870,529
Less discount to present value	—	—
	$ 946,000	870,529

(6) Beneficial Interest in Charitable Lead Annuity Trust

The Foundation is the lead beneficiary of a charitable lead annuity trust (the Trust). The terms of the trust provide that the Foundation will receive a fixed amount, $10,049,115, each year, over a 20-year period with any remaining trust assets to be paid to the remainder beneficiaries of the trust. The trust assets are to be held by an independent third-party trustee. The Foundation's interest in the trust was recorded at fair value within contributions revenue in the 2013 combined statement of activities. The contribution revenue recorded at the time of donation in 2013 was $140,145,970 utilizing an applicable federal interest rate of 2.2% and a discount rate of 3.63%. During 2014, the Foundation recorded a change in the beneficial interest of $7,381,304 using a discount rate of 3.90%.

(7) Annuities Payable

The Foundation receives funds to establish gift annuities. The annuity agreements provide that the Foundation will pay the annuitants a payment each year for the rest of his or her life. The recorded payable at December 31, 2014 and 2013 of $2,384,355 and $2,024,230, respectively, represents the estimated actuarial value of these future payments valued at rates ranging from 2% to 12%. The excess of the fair value of investments over this payable is included in net assets. At December 31, 2014 and 2013, the fair value of investments of these annuities totaled approximately $2,789,654 and $2,926,817, respectively.

(Continued)

(8) Grants Payable

Grants are considered liabilities of the Foundation when approved by the board of directors and when grant agreements are executed with grantees. Although grants will not be paid until certain conditions are met, they are considered unconditional promises to give because the probability that the conditions will not be met is remote. Future payments of approved grants and scholarships at December 31, 2014 and 2013 are expected to be paid as follows (discounted at rates ranging from 0.04% to 4.50%):

		2014	2013
In less than one year	$	41,520,845	27,465,117
In one to five years		99,735,100	53,988,200
Thereafter		2,010,000	—
		143,265,945	81,453,317
Discount		(4,043,352)	(133,914)
Total grants payable	$	139,222,593	81,319,403

(9) Net Assets

Sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of events were as follows:

		2014	2013
Arts, culture, and humanities	$	131,521	125,899
Civic and municipalities		298,135	235,831
Environment and animals		42,414	39,913
Health		439,512	276,421
Human services		5,745,397	3,618,833
Education and scholarships		665,088	590,608
Administrative expenses		159,609	227,822
Time restrictions		912,879	1,206,629
Religious purposes		262,822	196,974
Youth		72,499	71,507
Total	$	8,729,876	6,590,437

The composition of unrestricted net assets is as follows:

		2014	2013
Omaha Community Foundation	$	78,866,834	70,966,042
Supporting foundations		542,332,826	534,697,242
	$	621,199,660	605,663,284

Restricted net assets are available for the following purposes as of December 31, 2014:

		Permanently restricted	Temporarily restricted
Arts, culture, and humanities	$	—	160,026
Donor advised		12,166,341	149,833,575
Human services		4,286,000	27,796,691
Education and scholarships		601,000	14,412,537
Health		—	42,684
Youth		—	29,714
Environmental and animals		—	1,052,189
Religious purposes		—	1,100,514
Time restrictions		—	930,000
	$	17,053,341	195,357,930

		Permanently restricted	Temporarily restricted
Omaha Community Foundation	$	16,953,341	188,415,983
Supporting foundations		100,000	6,941,947
	$	17,053,341	195,357,930

Restricted net assets were available for the following purposes as of December 31, 2013:

		Permanently restricted	Temporarily restricted
Arts, culture, and humanities	$	—	155,474
Donor advised		12,166,341	145,466,434
Human services		4,286,000	26,756,433
Education and scholarships		601,000	13,164,419
Health		—	42,614
Youth		—	68,776
Environmental and animals		—	1,039,750
Religious purposes		—	785,061
Time restrictions		—	912,879
	$	17,053,341	188,391,840

(Continued)

		Permanently restricted	Temporarily restricted
Omaha Community Foundation	$	16,953,341	181,509,005
Supporting foundations		100,000	6,882,835
	$	17,053,341	188,391,840

(10) Endowment

The Foundation holds approximately 180 individual donor-restricted endowment funds (Endowments) for support of its programs and operations. Net assets and the changes therein associated with endowments are classified and reported as permanently or temporarily restricted funds, based on the nature of donor-imposed restrictions.

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted April 4, 2007. NUPMIFA imposes requirements on the management, investment, and spending of donor-restricted endowment funds. The Foundation applies the guidance included in ASC Topic 958, *Not-for-Profit Entities* (FASB Staff Position FAS 117-1, *Endowments of Not-for-profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institution Funds Act, and Enhanced Disclosures for All Endowment Funds*). The guidance requires the amount classified as permanently restricted shall be the amount of the donor-restricted endowment fund (a) that must be retained permanently in accordance with explicit donor stipulations or (b) that in the absence of such stipulations, the organization's governing board determines how they must be retained (preserved) permanently consistent with relevant law. The disclosure below also includes the activities of a supporting organization. At December 31, 2014 and 2013, $100,000 of the permanent endowment balance, $6,172,996 and $5,898,229, respectively, of the temporarily restricted endowment balance and $0 and $16,201, respectively, of the unrestricted board-designated endowment balance relates to this supporting organization.

The Board of Directors of the Foundation has interpreted NUPMIFA as not requiring the preservation of any specific amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation only classifies as permanently restricted assets the amounts in the Endowments, which are subject to permanent, specific, donor-imposed restrictions on appropriation (spending) of the fund.

The Foundation classifies the remaining amounts in the Endowments as temporarily restricted net assets until those amounts are appropriated for expenditure. In authorizing appropriations from the temporarily restricted Endowments, NUPMIFA requires the Foundation to focus on the purposes of the fund, giving priority to the donor's intent that the fund be maintained permanently. In addition, and in accordance with NUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the endowment fund

(2) The purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation or deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Foundation

(7) The investment policy of the Foundation

Endowment net asset composition by type of fund

	December 31, 2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ —	194,588,980	17,053,341	211,642,321
Total endowment funds	$ —	194,588,980	17,053,341	211,642,321

Endowment net asset composition by type of fund

	December 31, 2013			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Board-designated endowment funds	$ 16,201	—	—	16,201
Donor-restricted endowment funds	—	187,407,234	17,053,341	204,460,575
Total endowment funds	$ 16,201	187,407,234	17,053,341	204,476,776

Changes in endowment net assets

	Year ended December 31, 2014			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets, beginning of year	$ 16,201	187,407,234	17,053,341	204,476,776
Other income	—	20,326	—	20,326
Change in beneficial interest in charitable lead annuity trust	—	7,381,304	—	7,381,304
Investment return:				
Investment income	—	1,860,477	—	1,860,477
Net appreciation (realized and unrealized)	—	1,842,393	—	1,842,393
Total investment return	—	3,702,870	—	3,702,870
Appropriation of endowment assets for expenditure	(16,201)	(7,482,263)	—	(7,498,464)
Contributions	—	3,559,509	—	3,559,509
Endowment net assets, end of year	$ —	194,588,980	17,053,341	211,642,321

Changes in endowment net assets

	Year ended December 31, 2013			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets, beginning of year	$ 178,744	39,756,781	16,953,341	56,888,866
Other income	—	15	—	15
Investment return:				
Investment income	—	1,402,622	—	1,402,622
Net appreciation (realized and unrealized)	—	6,900,157	—	6,900,157
Total investment return	—	8,302,779	—	8,302,779
Appropriation of endowment assets for expenditure	(162,543)	(5,155,986)	—	(5,318,529)
Contributions	—	144,503,645	100,000	144,603,645
Endowment net assets, end of year	$ 16,201	187,407,234	17,053,341	204,476,776

(Continued)

(a) Return Objectives and Risk Parameters

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. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds to provide an average rate of return of approximately 5% annually.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, 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 targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(c) Spending Policy and How the Investment Objectives Relate to Spending Policy

Absent any donor restrictions, the Foundation appropriates for distribution each year 4.5% of its endowment fund's fair value through the calendar year-end that precedes the fiscal year in which the distribution is planned. In establishing its annual budget, the Foundation considers the operations of the Foundation as well as expected investment returns.

(11) Administrative Expenses

The Foundation's administrative expenses for the years ended December 31, 2014 and 2013 are as follows:

		2014	2013
Omaha Community Foundation operating expenses	$	2,323,469	2,281,680
Omaha by Design expenses		240	306,101
		2,323,709	2,587,781
Supporting foundations		4,799,826	3,084,402
	$	7,123,535	5,672,183

(12) Commitments

A supporting foundation leases certain property and then subleases the property under noncancelable operating leases, which expire at various dates. The supporting foundation expects the existing leases to be renewed under similar terms as they expire. Rental income related to these leases was $9,276,755 and $7,150,914 in 2014 and 2013, respectively.

As of December 31, 2014, minimum rental commitments to be received under noncancelable operating leases are as follows:

Year ending December 31:		
2015	$	8,807,116
2016		7,692,337
2017		3,992,578
2018		1,231,528
2019		512,847
Thereafter		367,196
Total minimum lease payments	$	22,603,602

(13) Note Receivable

In 2009, a supporting foundation loaned $800,000 to a nonprofit organization. The note requires monthly interest at a rate of 3% in addition to monthly principal payments. All unpaid principal is due on September 1, 2018. At December 31, 2014 and 2013, the balance due under this note was $657,441 and $697,071, respectively.

(14) Subsequent Events

The Foundation has evaluated subsequent events from the date of the combined statement of financial position through June 10, 2015, the date at which the combined financial statements were available to be issued, and determined there are no other items to disclose.