



OMAHA COMMUNITY FOUNDATION

Combined Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)



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Independent Auditors' Report

The Board of Directors
Omaha Community Foundation

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the 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, 2025 and 2024, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Foundation as of December 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Foundation 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government 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 combined financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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's 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2026 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

KPMG LLP

Omaha, Nebraska
June 10, 2026

OMAHA COMMUNITY FOUNDATION
 Combined Statements of Financial Position
 December 31, 2025 and 2024
 (Dollars in thousands)

Assets	2025	2024
Cash and cash equivalents	\$ 399,586	428,356
Beneficial interest in charitable lead annuity trust	54,779	61,826
Other assets	41,829	29,128
Program-related investment	8,900	13,797
Investments, at fair value	2,282,168	1,677,658
Investments in real estate	10,860	10,845
Right-of-use asset	5,139	5,891
Fixed assets:		
Building and improvements, land, furniture, and fixtures	77,741	30,988
Construction in progress	29,937	48,928
Less accumulated depreciation	(13,298)	(6,355)
Fixed assets, net	<u>94,380</u>	<u>73,561</u>
Total assets	<u>\$ 2,897,641</u>	<u>2,301,062</u>
Liabilities and Net Assets		
Liabilities:		
Grants payable	\$ 10,552	13,158
Accounts payable and accrued liabilities	9,223	5,009
Annuities payable	637	670
Funds held for others	80,713	77,584
Lease liability	5,204	5,949
Notes payable	25,993	3,927
Total liabilities	<u>132,322</u>	<u>106,297</u>
Net assets:		
Without donor restrictions – undesignated	2,597,497	2,044,743
With donor restrictions	167,822	150,022
Total net assets	<u>2,765,319</u>	<u>2,194,765</u>
Total liabilities and net assets	<u>\$ 2,897,641</u>	<u>2,301,062</u>

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Combined Statement of Activities

Year ended December 31, 2025

(Dollars in thousands)

	<u>Without donor restrictions undesignated</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and gains:			
Contributions	\$ 618,727	16,759	635,486
Investment return, net	200,127	12,923	213,050
Change in beneficial interest in charitable lead annuity trust	—	3,002	3,002
Other income	18,195	10	18,205
Rental income	14,617	—	14,617
Net assets released from restrictions	<u>14,894</u>	<u>(14,894)</u>	<u>—</u>
Total revenue and gains	<u>866,560</u>	<u>17,800</u>	<u>884,360</u>
Grants, expenses, and losses:			
Grants, net of cancellations	256,845	—	256,845
Administrative	18,051	—	18,051
Property operating costs	31,778	—	31,778
Depreciation	<u>7,132</u>	<u>—</u>	<u>7,132</u>
Total grants, expenses, and losses	<u>313,806</u>	<u>—</u>	<u>313,806</u>
Increase in net assets	552,754	17,800	570,554
Net assets at beginning of year	<u>2,044,743</u>	<u>150,022</u>	<u>2,194,765</u>
Net assets at end of year	\$ <u><u>2,597,497</u></u>	<u><u>167,822</u></u>	<u><u>2,765,319</u></u>

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Combined Statement of Activities

Year ended December 31, 2024

(Dollars in thousands)

	<u>Without donor restrictions undesignated</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and gains:			
Contributions	\$ 477,935	2,130	480,065
Investment return, net	104,188	7,796	111,984
Change in beneficial interest in charitable lead annuity trust	—	2,930	2,930
Other income	12,432	—	12,432
Rental income	13,759	—	13,759
Net assets released from restrictions	14,076	(14,076)	—
	<u>622,390</u>	<u>(1,220)</u>	<u>621,170</u>
Total revenue and gains			
Grants, expenses, and losses:			
Grants, net of cancellations	184,379	—	184,379
Administrative	12,174	—	12,174
Property operating costs	27,935	—	27,935
Depreciation	1,937	—	1,937
	<u>226,425</u>	<u>—</u>	<u>226,425</u>
Total grants, expenses, and losses			
Increase (decrease) in net assets	395,965	(1,220)	394,745
Net assets at beginning of year	<u>1,648,778</u>	<u>151,242</u>	<u>1,800,020</u>
Net assets at end of year	\$ <u><u>2,044,743</u></u>	<u><u>150,022</u></u>	<u><u>2,194,765</u></u>

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION
 Combined Statements of Cash Flows
 Years ended December 31, 2025 and 2024
 (Dollars in thousands)

	2025	2024
Cash flows from operating activities:		
Increase in net assets	\$ 570,554	394,745
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	7,132	1,937
Net unrealized and realized gains on investments	(143,003)	(76,165)
Contributions restricted for long-term investment	(14,894)	(14,076)
Stock contribution	(507,446)	(420,335)
Contribution of property held for sale	(270)	(400)
Change in beneficial interest in charitable lead annuity trust	(3,002)	(2,930)
(Gain) loss on disposal of fixed assets	17	(1)
Noncash donations included in grant expense	7,469	1,500
Changes in assets/liabilities:		
Other assets	(5,720)	(4,298)
Grants payable	(2,606)	(892)
Accounts payable and accrued liabilities	1,268	129
Operating lease	7	10
Annuities payable	(33)	(39)
Funds held for others	3,129	16,197
Net cash used in operating activities	(87,398)	(104,618)
Cash flows from investing activities:		
Capital expenditures – property donated and included in grant expense	(2,851)	(1,500)
Returns of principal for program related investments and notes receivable	9,542	5,424
Purchases of fixed assets	(25,016)	(54,107)
Purchases of investments	(1,275,766)	(789,058)
Sales of investments	1,317,424	1,138,861
Proceeds on sale of real estate	205	—
Draws on notes receivable	(11,919)	(5,869)
Payment received on beneficial interest in charitable lead annuity trust	10,049	10,049
Net cash provided by investing activities	21,668	303,800
Cash flows from financing activities:		
Borrowings under note payable	22,066	3,927
Proceeds from contributions restricted for long-term investment	14,894	14,076
Net cash provided by financing activities	36,960	18,003
Net increase (decrease) in cash and cash equivalents	(28,770)	217,185
Cash and cash equivalents at beginning of year	428,356	211,171
Cash and cash equivalents at end of year	\$ 399,586	428,356
Supplemental disclosures of noncash investing and financing activities:		
Stock contribution	\$ 507,446	420,335
Noncash donations included in grant expense	7,469	1,500

See accompanying notes to combined financial statements.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

(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. Revenue 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 foundations	Date established
Suzanne and Walter Scott Foundation	August 27, 1990
Mammel Family Foundation	December 31, 1994
Dixon Family Foundation	December 31, 1995
Lori & 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
The McGowan Family Foundation	August 22, 1996
The Enrichment Foundation	October 25, 1996
The Nelson Family Foundation	December 16, 1997
William and Ruth Scott Family Foundation	November 17, 1998
Maginn Family Foundation	December 15, 2000
William and Barbara Fitzgerald Family Foundation	October 20, 2005
Building Healthy Futures	April 6, 2012
Annette and Paul Smith Charitable Fund	December 21, 2015
Singer Foundation	April 4, 2017
Turkey Creek Preserve Charitable Foundation (Turkey Creek)	October 8, 2018
Dreams for the Future Foundation	July 17, 2018
Front Porch Investments	May 17, 2021
Don C. Scott Family Foundation	February 7, 2025

During 2025, the William and Barbara Fitzgerald Family Foundation and the Dreams for the Future Foundation were dissolved.

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

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

(2) Summary of Significant Accounting Policies

(a) *Basis of Presentation*

These combined financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net assets and related activity are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations available to support the Foundation's operations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. These stipulations may expire with time or may be satisfied and removed by the actions of the Foundation according to terms of the gift or are donor endowment funds subject to the board of directors spending policy (currently 4.5%). These restrictions are released when the specified purposes have been met.

Revenue is reported as increases in net assets without donor restrictions, unless there are donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations. Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor.

(b) *Use of Estimates*

The preparation of combined financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid instruments with an original maturity of three months or less when purchased that have not otherwise been classified as long-term assets due to a designation for long-term purposes.

(d) *Program-Related Investments (PRIs)*

PRIs are strategic investments, beyond grants, made by a supporting organization for the specific objective of furthering the supporting organization's charitable purpose. These investments are anticipated to have lower-than-market returns on a risk-adjusted basis. Program-related investment income is comprised of interest income.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

(e) Other Assets

A supporting organization of the Foundation's other assets include other equity investments in funds focused on innovation start-ups. The investment funds have various projects focused on science and technology in line with several of the supporting organization's education programs.

These equity investments do not have readily determinable fair values and are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. During the year ending December 31, 2025, the supporting organization of the Foundation incurred an impairment charge of \$214. No impairment or observable price changes were recorded during 2024. The supporting organization's investments in other assets was \$9,323 and \$9,129 at December 31, 2025 and 2024, respectively.

The Foundation has notes receivable comprised of below market interest loans to Community Development Financial Institutions, and one local non-profit. These loans pay interest rates of 1.75% to 3.00% with interest due quarterly and a balloon principal payment due at end of loan. At December 31, 2025 and 2024, respectfully, the outstanding loan balances was \$2,432 and \$2,685. A supporting organization has notes receivable comprised of below market interest loans to affordable housing developments. These loans pay interest rates of 1.00% to 2.50%, some loans with interest due monthly and a balloon principal payment due at end of the loan while other loans have both interest and principal payments due monthly. At December 31, 2025 and 2024, respectfully, the outstanding loan balances, net of loan loss reserves, was \$13,922 and \$6,682.

(f) Notes Payable

In 2024, a supporting organization of the Foundation secured a construction line of credit totaling \$35,000, maturing in 2026. As of December 31, 2025, the line of credit has an effective rate of 5.00% (variable based on Prime Rate). The outstanding borrowings were \$25,993 and \$3,927 at December 31, 2025 and 2024, respectively.

(g) Investments and Concentration of Credit and Market Risk

Investments are recorded at fair value. All realized and unrealized gains and losses and income or loss arising from investments are reflected within investment return, net in the combined statements of activities as increases and decreases to net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

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 agreed upon transaction prices that are supported by observable inputs. Certain investments in funds that do not have readily determinable fair values, including partnerships and certain mutual funds, are estimated using net asset value per share or its equivalent as a practical expedient to fair value.

The Foundation's financial instruments consisting of cash and cash equivalents and investments potentially expose the Foundation to concentrations of credit and market risk.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

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

The Foundation invests in a professionally managed portfolio that contains marketable investment securities. Such investments are exposed to various risks such as credit and market. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonable possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the combined financial statements.

(h) Fixed Assets

Fixed assets are carried at cost, or if donated, at fair value on the date of donation. Repairs and maintenance are charged to expense as incurred. Depreciation is computed by using the straight-line method over an estimated useful life of three to five years for furniture, fixtures and equipment; 15 years for building improvements; and 39 years for buildings.

Gifts of long-lived assets, such as land, buildings, or furniture and fixtures, are reported as contributions without donor restrictions 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 contributions with donor restrictions. 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. There were no fixed assets impaired during 2025 or 2024.

(i) Funds Held for Others

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

(j) Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. A promise to give is conditional based on whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

obligation to transfer assets. A conditional promise to give becomes an unconditional promise to give when the barriers in the agreement are overcome and is then recorded and reported at fair value. The gifts are reported as increases in net assets without donor restrictions, unless there are donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, a reclassification is made between the applicable classes of net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying combined financial statements.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

(k) Rental Income

A supporting organization has leases with tenants which are classified as operating leases. Rents from tenants are recognized in accordance with the lease agreements.

(l) Income Taxes

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

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. As of December 31, 2025 and 2024, the Foundation had no uncertain tax positions.

(m) Fair Value of Financial Instruments

The Foundation applies the provisions of Accounting Standards Codification (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. ASC Topic 820 also establishes a framework for measuring fair value and provides disclosures about fair value measurements (note 3).

(n) 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 net assets with donor restrictions and is adjusted annually through the combined statements of activities to reflect estimated fair value at year-end.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

(3) Fair Value Measurements

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, 2025 or 2024.

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

The fair value of Level 2 real estate represents various properties donated that are valued at fair value based on market comparison prices. The fair value of Level 2 corporate bonds, municipal bonds, mortgage-backed securities and U.S. Treasury and Agency securities are valued using pricing models; all of which maximize the use of observable inputs for similar securities. The fair value of Level 2 closely held stock is valued using actual sales price for sale of shares close to year-end. All other Level 2 assets are valued using quoted prices for similar assets in active markets.

The fair value of Level 3 closely held stock is valued at net book value using inputs provided from regulatory reports and audited financial information. The fair value of the beneficial interest in charitable lead annuity trust is determined as the present value of the estimated future distributions to be received by the Foundation. The fair value of real estate is valued using inputs provided by the general partner, audited financial information, and K-1 capital account balances to determine overall reasonableness of the recorded value.

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

Financial instruments measured at fair value at December 31, 2025 on a recurring and nonrecurring basis are summarized as follows:

<u>Description</u>	<u>2025</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring:				
Cash and cash equivalents	\$ 399,586	399,586	—	—
U.S. Treasury and Agency securities	237,166	—	237,166	—
Municipal bonds	173	—	173	—
Corporate bonds	682,247	—	682,247	—
Common stock	754,426	754,426	—	—
Preferred stock	79	79	—	—
Closely held stock	82,021	—	39,625	42,396
Mutual funds	462,902	462,902	—	—
Mortgage-backed securities	7,760	—	7,760	—
Foreign equities	26	26	—	—
Beneficial interest in charitable lead annuity trust	54,779	—	—	54,779
Investments in real estate	10,860	—	860	10,000
Partnerships measured at net asset value*	55,368	—	—	—
	<u>\$ 2,747,393</u>	<u>1,617,019</u>	<u>967,831</u>	<u>107,175</u>

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

Financial instruments measured at fair value at December 31, 2024 on a recurring and nonrecurring basis are summarized as follows:

<u>Description</u>	2024			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring:				
Cash and cash equivalents	\$ 428,356	428,356	—	—
U.S. Treasury and Agency securities	431,978	—	431,978	—
Municipal bonds	175	—	175	—
Corporate bonds	475,469	—	475,469	—
Common stock	265,307	265,307	—	—
Preferred stock	259	259	—	—
Closely held stock	99,482	—	68,551	30,931
Mutual funds	344,070	344,070	—	—
Mortgage-backed securities	7,636	—	7,636	—
Foreign equities	594	594	—	—
Other	73	73	—	—
Beneficial interest in charitable lead annuity trust	61,826	—	—	61,826
Investments in real estate	10,845	—	845	10,000
Partnerships measured at net asset value*	52,615	—	—	—
	<u>\$ 2,178,685</u>	<u>1,038,659</u>	<u>984,654</u>	<u>102,757</u>

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, or liquidity associated with investments but rather the amount of estimation uncertainty associated with estimating fair value.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

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 years ended December 31, 2025 and 2024:

	<u>Closely held stock</u>	<u>Beneficial interest in CLAT</u>	<u>Real Estate</u>	<u>Total</u>
Balance at December 31, 2023	\$ 26,095	68,944	10,000	105,039
Contributions	4,750	—	—	4,750
Unrealized gain	638	—	—	638
Change in value of beneficial interest	—	2,931	—	2,931
Payment received on CLAT	—	(10,049)	—	(10,049)
Sales	(552)	—	—	(552)
Transfers in and out of level 3	—	—	—	—
Balance at December 31, 2024	30,931	61,826	10,000	102,757
Contributions	9,387	—	—	9,387
Unrealized gain	2,198	—	—	2,198
Change in value of beneficial interest	—	3,002	—	3,002
Payment received on CLAT	—	(10,049)	—	(10,049)
Sales	(120)	—	—	(120)
Transfers in and out of level 3	—	—	—	—
Balance at December 31, 2025	\$ <u>42,396</u>	<u>54,779</u>	<u>10,000</u>	<u>107,175</u>

The estimated value of certain alternative investments, such as partnerships, was provided by the respective companies. For these alternative investments, the Foundation used the net asset value reported by the underlying fund to estimate the fair value of the investment as a practical expedient in determining fair value. Below is a summary of investments accounted for at net asset value:

	<u>2025 Fair value</u>	<u>2024 Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Private equity/venture capital funds (a)	\$ <u>55,368</u>	<u>52,615</u>	<u>11,515</u>	N/A	N/A
	\$ <u>55,368</u>	<u>52,615</u>	<u>11,515</u>		

(a) This category includes private equity/venture capital funds that invest primarily in private companies at various stages of development and maturity. 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 two to 10 years.

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

Due to the nature of the alternative investments, changes in market conditions and the economic environment may significantly impact the net asset value and, consequently, the fair value of the Foundation's interests in the investments. 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) 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 state that the Foundation will receive a fixed amount, \$10,049, 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 held by an independent third-party trustee. The Foundation's interest in the trust was initially recorded at fair value within contributions revenue in the combined statements of activities. During 2025 and 2024, the Foundation recorded a change in beneficial interest in charitable lead trust of \$3,002 and \$2,930 using a discount rate of 7.00% and 6.48%, respectively.

(5) Grants Payable

Grants are considered liabilities and expense of the Foundation in the period when approved by the board of directors, when grant agreements are executed with grantees, and when the recipients' condition or barrier is overcome. Grants are authorized subject to certain conditions, and failure of the recipients to meet these conditions may result in cancellation or refund of the grant. Grants payable beyond the year of recognition are recorded at present value assuming the rate of return for the year the grant was declared. All grants are recorded at net present value assuming discount rates ranging from 2.59% to 4.38%. Future payments of approved grants at December 31, 2025 and 2024 are expected to be paid as follows:

	<u>2025</u>	<u>2024</u>
In less than one year	\$ 3,310	4,072
In one to five years	<u>8,066</u>	<u>10,091</u>
	11,376	14,163
Discount	<u>(824)</u>	<u>(1,005)</u>
Total grants payable	<u>\$ 10,552</u>	<u>13,158</u>

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

(6) 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:

	<u>2025</u>	<u>2024</u>
Arts, culture, and humanities	\$ 1,231	1,168
Civic and municipalities	2,139	2,106
Environment and animals	369	402
Health	2,659	2,665
Human services	4,485	3,872
Education and scholarships	2,872	2,832
Religious purposes	634	521
Youth	505	510
Total	<u>\$ 14,894</u>	<u>14,076</u>

The composition of net assets without donor restrictions is as follows:

	<u>2025</u>	<u>2024</u>
Omaha Community Foundation	\$ 548,972	389,357
Supporting foundations	2,048,525	1,655,386
	<u>\$ 2,597,497</u>	<u>2,044,743</u>

Net assets with donor restrictions are available for the following:

	<u>2025</u>	<u>2024</u>
Purpose restrictions:		
Arts, culture, and humanities	\$ 81	75
Donor advised	102,386	92,461
Human services	52,636	45,659
Education and scholarships	11,317	10,412
Health	115	106
Environment and animals	105	96
Religious purposes	1,182	1,213
Total	<u>\$ 167,822</u>	<u>150,022</u>

Net assets to be held in perpetuity were \$21,987 and \$21,987 at December 31, 2025 and 2024, respectively.

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

The composition of net assets with donor restrictions is as follows:

	2025	2024
Omaha Community Foundation	\$ 167,822	150,022
Supporting foundations	—	—
	\$ 167,822	150,022

(7) Endowment

The Foundation holds approximately 204 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 net assets with donor restrictions.

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) imposes requirements on the management, investment, and spending of donor-restricted endowment funds. The guidance requires the amount classified as net assets with donor restrictions 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 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 also includes in net assets with donor restrictions the accumulated appreciation on donor restricted “true” endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by NUPMIFA, any deficiencies associated with the funds where the value of the fund has fallen below the original value of the gift. In authorizing appropriations from the 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

OMAHA COMMUNITY FOUNDATION

Notes to Combined Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

(7) The investment policy of the Foundation

Endowment net asset composition by type of fund			
December 31, 2025			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	113,043	113,043
Total endowment funds	\$ —	113,043	113,043

Endowment net asset composition by type of fund			
December 31, 2024			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	88,197	88,197
Total endowment funds	\$ —	88,197	88,197

Changes in endowment net assets			
Year ended December 31, 2025			
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ —	88,197	88,197
Investment income, net	—	12,923	12,923
Other income	—	10	10
Appropriation of endowment assets for expenditure	—	(4,845)	(4,845)
Contributions	—	16,758	16,758
Endowment net assets, end of year	\$ —	113,043	113,043

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

Changes in endowment net assets				
Year ended December 31, 2024				
		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$	—	82,297	82,297
Investment income, net		—	7,797	7,797
Appropriation of endowment assets for expenditure		—	(4,027)	(4,027)
Contributions		—	2,130	2,130
Endowment net assets, end of year	\$	—	88,197	88,197

(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.

(8) Leases

Lessor Accounting

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 \$12,213 and \$10,996 in 2025 and 2024, respectively.

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

As of December 31, 2025, minimum rental commitments to be received under noncancelable operating leases are as follows:

Year ending December 31:	
2026	\$ 9,135
2027	6,725
2028	3,648
2029	1,537
2030	411
Thereafter	903
Total minimum lease payments	\$ 22,359

Lessee Accounting

The Foundation determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make future lease payments arising from the lease.

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Foundation used the risk-free interest rate in determining the present value of future lease payments. The operating lease ROU asset also includes any lease payments made. Lease expense is recognized on a straight-line basis over the lease term.

Lease cost and other information related to the Foundation's operating leases at December 31, 2025 and 2024, respectfully, are as follows:

	2025	2024
Operating lease cost	\$ 761	669
Remaining lease term	2 to 7 years	3 to 8 years
Discount rate	1.63% to 4.27%	1.63% to 4.27%

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

Minimum lease payments under operating leases expiring subsequent to December 31, 2025 are as follows:

Year ending December 31:		
2026	\$	887
2027		893
2028		826
2029		831
2030		837
Thereafter		1,352
Total minimum lease payments		5,626
Less: Interest		(422)
Present value of minimum lease payments	\$	5,204

(9) Analysis of Expenses

The Foundation's expenses have been allocated between program services, management and general, and fundraising activities based on estimates made by the Foundation's management of time spent by employees on various activities. Program services expenses pertain to activities furthering the Foundation's exempt purpose. Management and general expenses include costs related to managing the Foundation's overall operations and management. Fundraising expenses pertain to activities associated with soliciting cash and noncash contributions to fund the Foundation's programs.

The Foundation's functional expenses, displayed by natural expense classification, for the years ended December 31, 2025 and 2024, were as follows:

	Program services	Management and general	Fundraising	Total expenses
Grants	\$ 256,845	—	—	256,845
Administrative	11,402	5,194	1,455	18,051
Property operating costs	23,325	8,453	—	31,778
Depreciation	6,660	460	12	7,132
2025 Total	\$ 298,232	14,107	1,467	313,806

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total expenses</u>
Grants	\$ 184,379	—	—	184,379
Administrative	6,890	3,945	1,339	12,174
Property operating costs	21,766	6,169	—	27,935
Depreciation	1,495	429	13	1,937
2024 Total	<u>\$ 214,530</u>	<u>10,543</u>	<u>1,352</u>	<u>226,425</u>

The composition of administrative expenses is as follows:

	<u>2025</u>	<u>2024</u>
Omaha Community Foundation	\$ 13,922	9,893
Supporting foundations	4,129	2,281
	<u>\$ 18,051</u>	<u>12,174</u>

OMAHA COMMUNITY FOUNDATION
Notes to Combined Financial Statements
December 31, 2025 and 2024
(Dollars in thousands)

(10) Liquidity

The Foundation's financial assets available within one year of December 31, 2025 and 2024, to meet general expenditures are as follows:

	2025	2024
Cash and cash equivalents	\$ 399,586	428,356
Accrued interest receivable	10,309	7,084
Total financial assets available within one year	409,895	435,440
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors (purpose)	(3,310)	(4,072)
Annuities payable	(637)	(670)
Total unavailable for general expenditures within one year	(3,947)	(4,742)
Total financial assets available to management for general expenditure within one year	\$ 405,948	430,698

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. Investments, except for private funds and closely held stocks that are subject to liquidity restrictions or funds restricted by donors, are available to fund any obligations not covered by liquid funds.

(11) Subsequent Events

The Foundation has evaluated subsequent events from the date of the combined statements of financial position through June 10, 2026, the date at which the combined financial statements were available to be issued, and determined there are no other items to disclose.