LINCOLN INVESTMENT PLANNING, LLC

Statement of Financial Condition
As of June 30, 2024

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ASSETS		
Cash	$	29,573,957
Cash segregated under federal and other regulations		27,055,603
Commissions receivable		7,490,767
Advisory fees receivable		125,373
Fees receivable		2,414,204
Advances to financial advisors, net of provision for credit losses of $262,125		331,521
Receivable from customers		21,487
Receivable from providers		1,940
Prepaid expenses		7,364,268
Receivable from affiliate-current		295,399
Notes receivable from financial advisors and others, net of provision for credit losses of $11,454		12,776,197
Property and equipment, net of accumulated amortization of $2,141,948		7,537,953
Operating lease right-of-use assets, net		5,708,458
Deposits with clearing organization and other		117,139
Goodwill and other intangible assets, net of accumulated amortization of $1,295,101		33,538,351
Other assets		360,290
Total assets	$	134,712,907
LIABILITIES AND MEMBER'S EQUITY		
Liabilities		
Payable to customers	$	13,977,785
Commissions payable		9,808,330
Payable to retirement plan		890,265
Payable to affiliate		1,220,767
Accounts payable and accrued expenses		12,616,823
Notes payable-current		4,787,859
Notes payable-long term		2,510,977
Operating lease liabilities-current		2,384,654
Operating lease liabilities-long term		4,303,371
Deferred revenue		4,331,237
Total liabilities	$	56,832,068
Member's equity		
Member's equity		77,880,839
Total liabilities and member's equity	$	134,712,907

NOTE 1 ORGANIZATION AND DESCRIPTION OF BUSINESS

Lincoln Investment Planning, LLC (the Company) is a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934 and an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940. The Company is a single member Pennsylvania Limited Liability Company, with Lincoln Investment Capital Holdings, LLC (the Parent) as its sole member. The Company is in the business of providing financial services to the public nationally primarily through independent financial advisors and specializes in the sale of advisory services to its retail investors with a particular focus on its clients' retirement needs. The Company's investment advisory services include strategic and tactical asset allocation programs. The Company self-clears and custodies approximately 38% of its clients' assets on its proprietary *Retirement and Investor Solutions* platform. Approximately 40% of clients' assets are held directly with product providers, while the remaining clients' assets are held on a fully disclosed basis with an unaffiliated broker-dealer. This unaffiliated broker-dealer performs clearing and custody services for these clients.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The accompanying statement of financial condition has been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP), which require 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 statement of financial condition. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company has defined cash and cash equivalents as highly liquid investments with original maturities of less than ninety days at the time of purchase. The Company did not have any cash equivalents as of June 30, 2024.

Income Taxes

As a limited liability company, the Company is not subject to federal or state income taxes. As such, it is not a tax-paying entity for federal and state income tax purposes, and accordingly, the Company's statement of financial condition does not reflect any assets or liabilities for federal or state income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income Taxes *(continued)*

U.S. GAAP requires the Company's management to evaluate uncertain tax positions taken by the Company. Accordingly, a tax benefit is recognized when it is more-likely-than-not to be sustained upon examination, based solely on its technical merits. The recognized benefit is measured as the largest amount of benefit, which is more-likely-than-not to be realized on ultimate settlement, based on a cumulative probability basis.

De-recognition of a previously recognized tax position occurs following the determination that the tax position no longer meets the more-likely-than-not threshold of being sustained. The Company does not have any tax positions for which a liability has been established or is otherwise unrecognized. The Company is subject to routine examination by taxing jurisdictions. The Company believes it is no longer subject to income tax examinations prior to 2021.

Property and equipment

Property and equipment include computer equipment and internally developed software and are amortized using the straight-line method over the estimated useful life of the assets. The Company assesses the recoverability of property and equipment whenever events or changes in circumstances indicate that it may not be able to recover the assets' carrying amount. The capitalization of costs of internally developed software begins when technological feasibility is established. The estimated useful life of property and equipment ranges from three to five years.

Leases

The Company determines if an arrangement is a lease or contains a lease at inception. The Company has operating and finance leases for corporate offices and equipment with remaining lease terms of 1 month to 4 years, some of which include options to extend the lease for up to 10 years. For leases with renewal options, the lease term is extended to reflect renewal options the Company is reasonably certain to exercise. Operating and finance lease assets and liabilities are recognized based on the present value of the future lease payments over the lease term at the commencement date.

As most of the Company's leases do not provide an implicit rate, the Company estimates its incremental borrowing rate based on information available at the commencement date in determining the present value of future payments.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provision for Credit Losses

The Company provides for a provision for credit losses for advances to and notes receivable from financial advisors and others based on experience and specifically identified risks. An allowance for losses is recorded when a determination is made that there is reasonable likelihood that the balance may not be recoverable. That determination is based on a variety of factors, including the status with the Company of the financial advisor and the ability of the financial advisor's earnings to cover his or her liability.

The method used for determining the provision for credit losses is in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, which requires it to be based on estimated future losses, and is consistent with the method used in prior years. Allowance for credit losses is comprised of the following:

Provision for Credit losses, beginning balance	$	345,761
Write-offs		(70,380)
Provision		(1,802)
Provision for Credit losses, ending balance	$	273,579

Goodwill and Other Intangible Assets

Goodwill and advisor relationships are accounted for in accordance with the requirements of FASB Accounting Standards Codification (ASC) 350, *Intangibles–Goodwill and Other*. Goodwill and advisor relationships are tested for impairment on an annual basis and between annual tests if an event occurs or circumstances change, which would more-likely-than-not reduce its fair value below the carrying value.

The Company performed an annual impairment evaluation as of December 31, 2023 and noted there was no impairment to any of its goodwill or advisor relationships. Goodwill and advisor relationships are not amortized.

Customer lists are amortized between five and eight years. Covenants not to compete are amortized over the related contract term. Management routinely assesses if an event occurs or circumstances change indicating that the carrying value of its customer lists and covenants not to compete become non-recoverable. No such events or circumstances took place during the first half of the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Notes Receivable from Financial Advisors and Others

The Company's notes receivable balance primarily consists of notes receivable from financial advisors. These interest-bearing note agreements are given to financial advisors to assist them in growing their business. The repayment term of the note ranges from six months to 8 years.

Based on the nature of these notes receivable, the Company does not analyze this asset on a portfolio segment or class basis. Concerns regarding recoverability generally arise in the event that a financial advisor's securities registration is terminated by the Company. The Company determines the amount of the provision based on specific identification of material amounts at risk by financial advisors and maintains an allowance based on estimated future losses, pursuant to ASU 2016-13. The credit quality of the notes receivable and the adequacy of this provision is assessed on a monthly basis by evaluating all known factors, such as historical collection experience, the economic and competitive environment and changes in the creditworthiness and licensing registration status of the financial advisors. This methodology is consistent with that which was used in prior years.

A note is considered impaired under applicable accounting guidance when based on current information, it is more likely than not that the Company will be unable to collect the scheduled amounts due according to the contractual terms of the note agreement. At June 30, 2024, there was one outstanding note receivable that was categorized as non-performing.

Recently Issued Accounting Pronouncements

There are no recently issued accounting pronouncements that would materially impact the Company's statement of financial condition and related disclosures.

NOTE 3 CASH SEGREGATED UNDER FEDERAL REGULATIONS

Segregated cash of $27,055,603 represents cash segregated in special reserve bank account for the exclusive benefit of customers pursuant to the Customer Protection Rule 15c3-3 under the U.S. Securities Exchange Act of 1934.

NOTE 4 RETIREMENT PLAN

The Company has a defined contribution profit-sharing and Section 401(k) salary deferral plan that covers employees who have attained the age of 18. Employees are eligible for the 401(k) salary deferral plan on the first day of the month following 30 days from date of hire. Employees are eligible for the profit-sharing and Section 401(k) component after completing 1,000 hours of service. The employee must also be employed on the last day of the plan year to receive the profit-sharing component. Participants are always fully vested in their contributions and become fully vested in any company contributions after they have completed three years of service.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024 consisted of the following:

Computer equipment	$ 271,371
Internally developed software	9,408,530
	9,679,901
Less : Accumulated amortization	(2,141,948)
Property and equipment, net	$ 7,537,953

The $3,523,651 internally developed software is still in progress, amortization will start once the project is completed and will be amortized over five years.

NOTE 6 ASSET PURCHASE AGREEMENTS

In 2024, the Company entered into asset purchase agreements with financial advisors based in Florida, Illinois, Michigan, Nevada, Pennsylvania and Texas. The fair value of the acquisitions, after determination of the contingent consideration, was $11,975,662, and included $6,198,130 in cash paid to the seller and $5,777,532 representing the fair value of the notes payable due to the seller. Additionally in 2024, the Company made contingent payments for the California and Colorado asset purchase agreements entered in 2023 in the amount of $187,022, which are included in the customer lists summary below.

The Company allocated the total purchase price to customer lists and covenant not to compete intangible assets. The fair values assigned to identifiable intangible assets were determined primarily by using a market approach, as the Company has significant experience in purchasing, facilitating the purchasing of, and dealing with financial advisors who have purchased customer lists, both affiliated with the Company and with competitors.

NOTE 6 ASSET PURCHASE AGREEMENTS *(continued)*

The following table summarizes the estimated fair values of the assets acquired at acquisition date:

Covenants not to compete	$ 775,000
Customer lists	11,387,684
Assets Purchased	$ 12,162,684

NOTE 7 NOTES PAYABLE

Asset Purchase Agreements

The non-interest-bearing notes payable relate to the asset purchases of financial services firms located in Pennsylvania in 2022, Virginia in 2023 and the asset purchase agreements described in Note 6. The notes payable had a face value of $7,467,627. The notes are discounted based on an imputed interest rate of 5.88% to 7.00% and will be paid off in March 2027.

Notes payable at June 30, 2024 consisted of the following:

	Principal	Unamortized Discount	Carrying Amount
Noninterest-bearing notes payable, issued in connection with the 2022, 2023 and 2024 business acquisitions	$ 7,467,627	$ 168,791	$ 7,298,836
Less: Current portion	4,918,001	130,142	4,787,859
Long-term portion	$ 2,549,626	$ 38,649	$ 2,510,977

The schedule maturities of the notes payable at June 30, 2024 is as follows:

Year	Amount
2025	$ 4,918,001
2026	2,313,414
2027	236,212
	$ 7,467,627

NOTE 8 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are comprised of the following at June 30, 2024:

Goodwill	$16,497,106
Advisor relationships	1,848,311
Customer lists	15,563,035
Covenants not to compete	925,000
Total	34,833,452
Less: Accumulated amortization	(1,295,101)
Net	$ 33,538,351

The following table is a breakdown by asset category of the weighted average amortization period and life-to-date accumulated amortization for all amortized intangible assets:

Asset Category	Weighted Average Amortization (Years)	Accumulated Amortization
Customer lists	7.96	$1,195,101
Covenants not to compete	5.00	100,000
All amortizable intangible assets	7.80	$ 1,295,101

Goodwill is related to asset purchases of financial services firms located in Massachusetts in 2000, Washington State in 2009, Virginia in 2016, California in 2018, the Legend Equities merger in 2017 and the Legend Advisory business contribution in 2019.

Goodwill is not amortized.

A summary of goodwill activity is as follows:

Goodwill, beginning balance	$ 16,497,106
Goodwill activity during the year	-
Goodwill, ending balance	$ 16,497,106

The advisor relationship assets are related to acquisitions in Washington State in 2009 and California in 2018. Advisor relationship assets are not amortized.

NOTE 8 GOODWILL AND OTHER INTANGIBLE ASSETS *(continued)*

The customer lists assets are related to the asset purchases of financial services firms based in Pennsylvania in 2022, California, Colorado, Massachusetts and Virginia in 2023 and the asset purchase agreements described in Note 6.

Customer lists are being amortized over five to eight years.

The covenants not-to-compete are related to the asset purchase of a financial services firm based in Pennsylvania in 2022, California in 2023 and the asset purchase agreements described in Note 6. Covenants not-to-compete are being amortized over five years.

Non-amortized intangible assets are subject to periodic review for impairment and are written down as applicable.

NOTE 9 COMMISSIONS RECEIVABLE, OTHER FEES RECEIVABLE AND DEFERRED REVENUE

Commissions and other fees receivable arise from selling mutual fund shares, other securities, insurance products, and providing services to investors. Overall, the Company believes the concentration of credit risk is limited due to the number of funds in which the customers invest.

Commissions receivable and other fees receivable as of June 30, 2024 and January 1, 2024 were as follows:

	June 30, 2024	January 1, 2024
Commissions receivable	$ 7,490,767	$ 7,139,967
Advisory fees receivable	125,373	155,591
Fees receivable	2,414,204	2,815,736
Total receivables	$ 10,030,344	$ 10,111,294

Deferred revenue represents fees collected in advance of the Company satisfying its respective performance obligations. In general, performance obligations are satisfied within three months of receipt, except in 2024 when the Company received cash for conversion support from an unaffiliated broker dealer, which is being amortized over 5 years. Deferred revenues were $4,331,237 and $485,710 as of June 30, 2024 and January 1, 2024 respectively. Accordingly, except for the conversion support from unaffiliated broker dealer, substantially all deferred revenues as of June 30, 2024 and January 1, 2024 are recognized in the subsequent twelve-month period.

NOTE 10 RECEIVABLES FROM CUSTOMERS AND PROVIDERS AND PAYABLE TO CUSTOMERS

Securities owned by customers are held as collateral for receivable from customers. The value of such securities equals or exceeds the amount of the receivables. Such collateral is not reflected in the statement of financial condition. The receivable from providers are related to contracts with customers.

Payable to customers include amounts due on cash transactions.

Receivables from customers and providers as of June 30, 2024 and January 1, 2024 were as follows:

	June 30, 2024	January 1, 2024
Receivable from customers	$ 21,487	$ 823,012
Receivable from providers	1,940	15,875
Total receivables	$ 23,427	$ 838,887

Payable to customers was $13,977,785 and $11,118,489 as of June 30, 2024 and January 1, 2024 respectively.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Company conducts its operations in leased facilities under operating leases that expire at various dates. The Company's headquarters are located in Fort Washington, Pennsylvania with its sales offices maintained in several other locations. See Note 14 for additional information on leases. The Company leases computer equipment, other equipment, and furniture and fixtures for its headquarters and other offices from ForLease LIP, LLC, as described in Note 13. This lease includes a clause where both parties may terminate the lease without penalty. Accordingly, the lease is classified as short term and therefore, is not included in the future minimum commitments as described in Note 14.

The Company is party to a number of claims, lawsuits, and arbitrations arising in the course of its normal business activities. It is not possible to forecast the outcome of such lawsuits/arbitrations. However, because of existing insurance, management believes that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

NOTE 11 COMMITMENTS AND CONTINGENCIES *(continued)*

As with many financial services companies, from time to time, the Company receives informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and sales practices of the financial services industry. In each case, the Company believes full cooperation has been given and is being provided. Management believes that there are no regulatory issues pending that would have a materially adverse effect on the Company's operations or financial position.

NOTE 12 AGREEMENTS WITH CARRYING BROKER

The Company has entered into an agreement with a broker (the Carrying Broker) to execute certain securities transactions on behalf of its customers. The Company discloses these arrangements to its customers. The Company is subject to off-balance-sheet risk in that it may be responsible for losses incurred by the Carrying Broker that result from a customer's failure to complete securities transactions as provided for in the agreements.

NOTE 13 RELATED-PARTY TRANSACTIONS

The Parent sold a portion of its business to a financial services firm located in New York in 2020. This business is reflected in the Company's accounts as a result of pushdown accounting, therefore the Company had recorded a receivable from the Parent of $2,000,000 plus interest and is payable in 20 equal quarterly payments. The amount included in the receivable from affiliates is $295,399 for the current portion and is included in the accompanying statement of financial condition as of June 30, 2024.

The Company leases computer equipment, other equipment, and furniture and fixtures for its headquarters and other offices from ForLease LIP, LLC, which is owned by the Parent.

Capital Analysts, LLC (CA) is a wholly owned subsidiary of the Parent and is registered as an investment adviser with the SEC. Financial advisors of the Company also sell products and services for CA. The Company has a payable of $1,220,767 to CA for net advisory fees due, which is included in payable to affiliate in the accompanying statement of financial condition as of June 30, 2024.

NOTE 14 LEASES

Finance lease assets are included in property and equipment, net in the statement of financial condition in the amount of $14,283.

NOTE 14 LEASES *(continued)*

Supplemental weighted information related to leases were as follows:

Weighted average remaining lease term (years):

Operating leases	2.92 years

Weighted average discount rate:

Operating leases	4.16%

Maturities of lease liabilities as of June 30, 2024 were as follows:

Year	Operating leases
2025	$ 2,614,432
2026	2,214,764
2027	1,969,404
2028	309,714
Total lease payments	$ 7,108,314
Less: Imputed interest	(420,289)
Total	$ 6,688,025

NOTE 15 NET CAPITAL REQUIREMENTS

The Company is subject to Rule 15c3-1, which requires the maintenance of minimum net capital. A broker-dealer that fails to comply with Rule 15c3-1 may be subject to disciplinary actions by the SEC and self-regulatory organizations, such as FINRA, including censures, fines, suspensions, or expulsion.

The Company has elected to use the alternative method permitted by Rule 15c3-1, which requires the Company maintain minimum net capital equal to the greater of $250,000 or 2% of aggregate debit balances arising from customer transactions. At June 30, 2024, the Company had net capital of $11,922,650, which was 59,736% of aggregate debit balances and $11,672,650 in excess of the minimum net capital requirement.

Distribution payments and other equity withdrawals from the Company are subject to certain notification and other provisions of Rule 15c3-1 and other regulatory bodies. Under the alternative method, the Company may not pay cash distributions, or make any unsecured advances or loans to its member or employees if such payment would result in net capital of less than 5% of aggregate debit balances, or less than 120% of its minimum dollar net capital requirement.