

**THE OMAHA HOME FOR BOYS  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**  
**(WITH INDEPENDENT AUDITOR'S REPORT)**



**OMAHA HOME FOR BOYS AND AFFILIATE**

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**DECEMBER 31, 2024 AND 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Omaha Home for Boys

### **Opinion**

We have audited the accompanying consolidated financial statements of The Omaha Home for Boys (a nonprofit organization) and Affiliate which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Omaha Home for Boys and Affiliate as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Omaha Home for Boys and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Omaha Home for Boys and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Omaha Home for Boys and Affiliate'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.

**FRANKE, LLC**

Omaha, Nebraska  
March 25, 2025

**THE OMAHA HOME FOR BOYS AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<b>DECEMBER 31</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,708,134	1,377,471
Program service receivables	317,239	266,745
Other receivables	184,738	177,089
Prepaid expenses and other assets	361,699	245,607
Contributions and grants receivable	131,250	171,869
Retirement plan asset	84,278	--
Government assistance receivable	2,100,000	2,100,000
Investments	62,613,767	62,265,160
Beneficial interest in trusts	5,083,604	4,793,397
Land, buildings, and equipment, net	16,186,707	16,945,573
<b>TOTAL ASSETS</b>	<b>\$ 88,771,416</b>	<b>88,342,911</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 221,787	197,024
Accrued payroll and employee benefits	297,763	248,973
Other liabilities	348,874	327,141
Deferred revenue	727,940	738,620
Accrued retirement plan contribution	--	23,846
<b>Total liabilities</b>	<b>1,596,364</b>	<b>1,535,604</b>
<b>Net Assets</b>		
Without donor restrictions	78,101,444	77,904,975
With donor restrictions	9,073,608	8,902,332
<b>Total net assets</b>	<b>87,175,052</b>	<b>86,807,307</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 88,771,416</b>	<b>88,342,911</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
Contributions - general	\$ 2,159,974	282,675	2,442,649
Contributions - program service	1,622,352	--	1,622,352
Net investment income	4,367,209	296,937	4,664,146
Net earnings in beneficial interest in trusts	--	472,603	472,603
Rental income	299,399	--	299,399
Government assistance	--	--	--
Other	26,543	--	26,543
Actuarial gain on accrued retirement plan contribution	78,547	--	78,547
<b>Total revenues and gains</b>	<b>8,554,024</b>	<b>1,052,215</b>	<b>9,606,239</b>
<b>Functional expenses</b>			
<b>Program services:</b>			
Residential living	2,580,018	--	2,580,018
Self-sufficiency services	1,887,701	--	1,887,701
Clinical services	2,033,008	--	2,033,008
<b>Total program services</b>	<b>6,500,727</b>	<b>--</b>	<b>6,500,727</b>
<b>Supporting services</b>			
Management and general	1,328,985	--	1,328,985
Fundraising	1,408,782	--	1,408,782
<b>Total supporting services</b>	<b>2,737,767</b>	<b>--</b>	<b>2,737,767</b>
<b>Total functional expenses</b>	<b>9,238,494</b>	<b>--</b>	<b>9,238,494</b>
<b>Reclassifications of net assets:</b>			
Expiration of time or purpose restrictions	880,939	(880,939)	--
<b>INCREASE IN NET ASSETS</b>	<b>196,469</b>	<b>171,276</b>	<b>367,745</b>
Net assets at beginning of year	77,904,975	8,902,332	86,807,307
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 78,101,444</b>	<b>9,073,608</b>	<b>87,175,052</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
Contributions - general	\$ 1,979,840	1,087,391	3,067,231
Contributions - program service	1,344,199	--	1,344,199
Net investment income	5,447,679	355,495	5,803,174
Net earnings in beneficial interest in trusts	--	579,166	579,166
Rental income	290,521	--	290,521
Government assistance	2,100,000	--	2,100,000
Other	12,979	--	12,979
Actuarial gain on accrued retirement plan contribution	180,817	--	180,817
<b>Total revenues and gains</b>	<b>11,356,035</b>	<b>2,022,052</b>	<b>13,378,087</b>
<b>Functional expenses</b>			
<b>Program services:</b>			
Residential living	2,558,990	--	2,558,990
Self-sufficiency services	1,795,202	--	1,795,202
Clinical services	1,877,864	--	1,877,864
<b>Total program services</b>	<b>6,232,056</b>	<b>--</b>	<b>6,232,056</b>
<b>Supporting services</b>			
Management and general	1,427,292	--	1,427,292
Fundraising	1,336,050	--	1,336,050
<b>Total supporting services</b>	<b>2,763,342</b>	<b>--</b>	<b>2,763,342</b>
<b>Total functional expenses</b>	<b>8,995,398</b>	<b>--</b>	<b>8,995,398</b>
<b>Reclassifications of net assets:</b>			
Expiration of time or purpose restrictions	973,272	(973,272)	--
<b>INCREASE IN NET ASSETS</b>	<b>3,333,909</b>	<b>1,048,780</b>	<b>4,382,689</b>
Net assets at beginning of year	74,571,066	7,853,552	82,424,618
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 77,904,975</b>	<b>8,902,332</b>	<b>86,807,307</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Residential Living	Self-Sufficiency Services	Clinical Services	Total Program Services	Management & General	Fundraising	Total Expenses
Salaries	\$ 1,175,471	880,539	1,098,421	3,154,431	580,825	405,694	4,140,950
Employee benefits	183,718	185,264	185,884	554,866	113,709	87,284	755,859
Payroll taxes	85,327	62,807	79,058	227,192	39,812	28,010	295,014
<b>Total salaries and related expenses</b>	<b>1,444,516</b>	<b>1,128,610</b>	<b>1,363,363</b>	<b>3,936,489</b>	<b>734,346</b>	<b>520,988</b>	<b>5,191,823</b>
Depreciation	394,418	197,299	192,905	784,622	267,259	15,966	1,067,847
Equipment and maintenance	226,332	127,460	129,368	483,160	57,186	18,099	558,445
Insurance	89,995	41,535	71,533	203,063	11,537	16,153	230,753
Miscellaneous	16,360	10,432	18,937	45,729	80,647	135,839	262,215
Occupancy	180,163	92,905	99,907	372,975	73,698	2,198	448,871
Postage	85	57	56	198	251	201,764	202,213
Professional development	4,839	3,414	4,764	13,017	6,013	3,599	22,629
Professional fees and contract services	48,662	12,913	51,472	113,047	71,824	36,006	220,877
Promotion and printing	15,926	7,740	12,415	36,081	4,331	415,486	455,898
Supplies	7,124	3,081	7,731	17,936	3,930	37,437	59,303
Travel and transportation	7,191	3,568	4,655	15,414	17,963	5,247	38,624
Youth direct care	144,407	258,687	75,902	478,996	--	--	478,996
<b>Total expenses</b>	<b>\$ 2,580,018</b>	<b>1,887,701</b>	<b>2,033,008</b>	<b>6,500,727</b>	<b>1,328,985</b>	<b>1,408,782</b>	<b>9,238,494</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Residential Living	Self-Sufficiency Services	Clinical Services	Total Program Services	Management & General	Fundraising	Total Expenses
Salaries	\$ 1,126,710	834,651	952,802	2,914,163	548,593	388,390	3,851,146
Employee benefits	246,550	222,986	196,511	666,047	132,770	99,380	898,197
Payroll taxes	81,767	59,775	69,088	210,630	36,547	26,710	273,887
<b>Total salaries and related expenses</b>	<b>1,455,027</b>	<b>1,117,412</b>	<b>1,218,401</b>	<b>3,790,840</b>	<b>717,910</b>	<b>514,480</b>	<b>5,023,230</b>
Depreciation	397,588	187,920	193,573	779,081	270,749	16,556	1,066,386
Equipment and maintenance	198,680	105,962	112,250	416,892	54,149	18,694	489,735
Insurance	78,115	36,053	62,091	176,259	10,014	14,020	200,293
Miscellaneous	27,695	18,516	26,625	72,836	71,095	123,985	267,916
Occupancy	184,855	94,514	101,153	380,522	75,065	2,624	458,211
Postage	3	1	2	6	1,013	193,677	194,696
Professional development	5,484	3,386	3,760	12,630	5,800	3,066	21,496
Professional fees and contract services	43,449	9,929	45,929	99,307	202,261	15,026	316,594
Promotion and printing	17,129	8,551	13,213	38,893	5,983	404,994	449,870
Supplies	9,449	3,263	9,875	22,587	3,580	26,957	53,124
Travel and transportation	5,486	2,936	3,872	12,294	9,673	1,971	23,938
Youth direct care	136,030	206,759	87,120	429,909	--	--	429,909
<b>Total expenses</b>	<b>\$ 2,558,990</b>	<b>1,795,202</b>	<b>1,877,864</b>	<b>6,232,056</b>	<b>1,427,292</b>	<b>1,336,050</b>	<b>8,995,398</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31**

**2024**

**2023**

**Cash flows from operating activities:**

Change in net assets	\$	367,745	4,382,689
Adjustments to reconcile change in net assets to net cash flows from operating activities:			
Depreciation		1,067,847	1,066,386
Net realized and unrealized gain on investments		(2,823,588)	(3,958,907)
Net change in beneficial interest in trusts		(290,207)	(384,295)
Actuarial gain on accrued retirement plan contribution		(78,547)	(180,817)
Other		(13,436)	--
Changes in:			
Program service receivables		(50,494)	9,697
Other receivables		(7,649)	(106,742)
Retirement plan asset		(5,731)	--
Government assistance receivable		--	(2,100,000)
Prepaid expenses and other assets		(116,092)	37,563
Contributions and grants receivable		40,619	52,646
Accounts payable		(66,957)	44,919
Accrued payroll and employee benefits		48,790	(30,623)
Other liabilities		21,733	(154,996)
Deferred revenue		(10,680)	(10,680)
Accrued retirement plan contribution		(23,846)	(11,500)
<b>Net cash used by operating activities</b>		<b>(1,940,493)</b>	<b>(1,344,660)</b>
<b>Cash flows from investing activities:</b>			
Purchases of land, buildings and equipment		(203,825)	(211,120)
Purchases of investments		(2,277,391)	(2,715,201)
Proceeds from sale of investments		4,752,372	4,006,687
<b>Net cash provided by investing activities</b>		<b>2,271,156</b>	<b>1,080,366</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>330,663</b>	<b>(264,294)</b>
Cash and cash equivalents, beginning of year		1,377,471	1,641,765
<b>Cash and cash equivalents, end of year</b>	<b>\$</b>	<b>1,708,134</b>	<b>1,377,471</b>

See accompanying notes to financial statements.

# OMAHA HOME FOR BOYS AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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### 1. Description of Organization

The Omaha Home for Boys (“OHB”) is a nonprofit organization serving youth and families. OHB provides a true continuum of care to help youth, young adults and families overcome obstacles to reach their full potential. Our three core programs are aimed at empowering clients with the skills and confidence needed to transition from a state of crisis to one of safety and growth.

#### Residential Living

The Residential Living Program is a licensed, temporary, non-treatment facility providing 24-hour supervision for youth in an age appropriate, individualized and structured group setting. Youth in this level of care requires consistent behavior management, supervision and support. Staff provide a safe, learning and nurturing environment to help youth facilitate change in their behavior, attitudes and personal interactions. The program serves high school age young people who identify as male who live on our main campus and attend the Omaha Home for Boys Rule 18 School while also having access to therapy, employment, recreation and other support services.

#### Self-Sufficiency Services

Transitional Living is a living arrangement for youth that maximizes a youth’s independence and engagement within the community. A staff aids with direct skill training on life skills, mentoring, coaching, support and supervision to youth who are living independently. This service assists the youth in developing the competence and skill that enable them to reside independently in the community. The program serves any gender and ages 17 to 21.

Independent Living is a skill-based community program working with young people who lack independent living skills and need assistance building skills to live independently. Support to work towards independent living, employment and education goals. The program serves any gender and ages 14 to 26.

Supportive Community Living is an extension of the Independent Living Program which offers living spaces for scaled fees and dues while young people stabilize and work on their education/employment/independent living skills. Young people are offered support and assistance by means of onsite staff during typical business hours. The program serves any gender and ages 18 to 26, who may or may not have their children in their custody.

#### Clinical Services

The Clinical Services Program offers behavioral health, mental health and substance abuse services that are trauma-focused and strengths-based. Services offered place a high emphasis on education, practice, and development of new skills to help individuals achieve goals. The Clinical Services Program expands beyond OHB’s youth to serve other youth and families in the community.

Day and Evening Reporting is a short-term service, which provides comprehensive programming during or after school hours for youth who lack structure and supervision. Day and Evening Reporting is on the continuum of services that can be utilized as a detention alternative, to reduce the use of detention and out-of-home placement. Services and activities may include life and leisure skill development, tutoring, decision-make, anger management, victim mediation, victim empathy, GED preparation, vocational instruction, pro social and recreational activities. The program serves any gender and ages 13 to 18.

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### 1. Description of Organization – Continued

Crisis Stabilization was established in June 2020 and is utilized to achieve stabilization in a therapeutic environment until a youth can transition home or to a lower level of care. Crisis Stabilization may be utilized as an alternative to detention. Youth in this service require crisis intervention, consistent behavior management, supervision and therapeutic services. The program serves any young person who identifies as male and ages 14 to 18.

Founded in 1920, OHB is a leader and pioneer in community-based services to youth and their families. Each year, OHB cares for over 300 young men and women ages 14 to 26.

The financial statements include Omaha Home for Boys and The Omaha Home for Boys Foundation, Inc. (“Foundation”) (collectively “the Organization:”). The Foundation was formed as of March 6, 2024, and was approved to be exempt from taxation as a supporting organization of OHB on November 6, 2024. The Foundation is a separate legal entity with its own governing board. All intercompany transactions have been eliminated.

#### 2. Summary of Significant Accounting and Reporting Policies

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit organizations. The significant accounting and reporting policies used by The Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

##### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

##### Net Assets

The financial statements report net assets and changes in net assets without donor restrictions and with donor restrictions, defined as follows:

##### Net Assets Without Donor Restrictions

The use of net assets without donor restrictions is not limited by donor-imposed stipulations and are, therefore, available for general operations. The only limits on the use of net assets without restrictions are the broad limits resulting from the nature of OHB or the Foundation, the environment in which they operate, the purposes specified in their corporate documents and applications for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### 2. Summary of Significant Accounting and Reporting Policies – Continued

##### Net Assets – Continued

##### Net Assets With Donor Restrictions

Net assets with donor restrictions result from contributions and revenues the use of which is limited by donor or grant-imposed stipulations that are more specific than broad limits resulting from 1) the nature of the not-for-profit entity; 2) the environment in which it operates; and 3) the purposes specified in its articles of incorporation or by-laws or comparable documents.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Donor-restricted contributions whose restrictions are met within the same year received are reported as unrestricted contributions in the accompanying financial statements. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by OHB, unless the donor provides more specific directions about the period of its use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net losses on endowment reduce net assets with donor restrictions to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in net assets without donor restrictions. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in net assets without donor restrictions.

##### Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

##### Program Service Receivables

Program service receivables are primarily made up of unsecured non-interest-bearing amounts due from placement agencies. Based on management's assessments of current financial conditions, forecasts regarding future events and other factors deemed relevant, Management believes that all outstanding receivables are collectible in full, therefore no allowance for credit losses has been provided.

##### Contributions and Grants Receivable

Contributions and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions and grants receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions and grants receivable that are expected to be collected in more than one year are recorded at fair value at the date of the promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as contribution revenue. The allowance for uncollectible contributions and grants receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates, are written off unless the donors indicate that payment is merely postponed.

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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2. Summary of Significant Accounting and Reporting Policies – Continued

Endowment Investments

Endowment investments consist of investments purchased with the following resources:

Donor-restricted permanent endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support OHB's activities.

Donor-restricted term endowments are contributions restricted by donors to invest for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund or may permit OHB of the Foundation to spend those amounts in accordance with the donor's restrictions on use.

Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period, operate in a manner similar to a donor-restricted permanent endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Endowment investments are reported at fair value. The investment and spending policies are discussed in note 8.

Beneficial Interest in Trusts

OHB is a partial or full irrevocable beneficiary of fourteen charitable trusts held by bank trustees. The beneficial interest in the trusts is reported at fair value, which is estimated as the fair value of the underlying trust assets. The value of the beneficial interest in the trusts are adjusted for the change in its estimated fair value. For those beneficial interests that OHB is a partial beneficiary, the fair value and change in the fair value, are reported at OHB's prorated share of those assets.

Land, Buildings, and Equipment

Land, buildings, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	5-40 years
Furniture and equipment	3-40 years
Vehicles	2-7 years

Land, buildings, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. For the years ended December 31, 2024 and 2023, no impairment loss was recognized in the financial statements.

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### 2. Summary of Significant Accounting and Reporting Policies – Continued

##### Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as with donor restriction until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all barriers are substantially satisfied.

OHB is a beneficiary under several donor's wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid, and OHB has an irrevocable right to the bequest.

##### Gifts-in-Kind Contributions

OHB periodically receives contributions in a form other than cash or investments. If OHB receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets OHB's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. There were no material gifts-in-kind received in 2024 or 2023, respectively.

##### Program Service Contributions

Program service contributions are primarily income from grants or agreements with placement agencies and recognized as revenue in accordance with the terms of the respective grant or similar agreement.

##### Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program are charged directly to that program. Costs common to multiple functions have been allocated among the various functions benefited using percentages determined on the basis of time and effort or usage of space.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Additionally, advertising costs are expensed as incurred.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. OHB generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. The Foundation does not typically conduct fundraising activities.

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### 2. Summary of Significant Accounting and Reporting Policies – Continued

##### Tax Status

OHB is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Both OHB and the Foundation are organized under Section 21 of the Nebraska Nonprofit Corporation Act. Contributions to OHB are tax deductible to donors under Section 170 of the IRC. The Foundation is a 509(a)(3) Type I supporting organization. Neither OHB nor the Foundation are classified as a private foundation.

Accounting standards require disclosure and recognition in financial statements of positions taken in a tax return about the treatment of transactions and events that more likely than not would not be sustained upon examination by tax authorities. Tax positions relative to a nonprofit organization include activities that may endanger its exempt purpose and status as an exempt organization. OHB and the Foundation believes they comply with all relevant tax laws and regulations and have no significant uncertain tax positions; accordingly, no liability for uncertain tax positions has been recognized in the financial statements.

##### Compensated Absences

OHB recognizes employees' vacation benefits in the period earned.

##### Subsequent Events

Management evaluated transactions and events occurring subsequent to December 31, 2024, and through March 25, 2025, the date the financial statements were available to be issued, to determine whether any events should be recognized or disclosed in these statements. There were no material transactions or events in the subsequent period requiring disclosure or recognition in the statements.

#### 3. Liquidity and Availability of Funds

Financial assets available for general expenditures within one year of the statement of financial position date, are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,708,134	\$ 1,377,471
Accounts receivable	317,239	266,745
Other receivables	184,738	177,089
Government assistance receivable	2,100,000	2,100,000
Contributions and grants receivable	<u>131,250</u>	<u>171,869</u>
Total financial assets as of year end	4,441,361	4,093,174
Estimated appropriation from endowment for general expenditure in subsequent year	<u>3,500,000</u>	<u>3,539,000</u>
Total financial assets available to meet general expenditures as of year end	<u>\$ 7,941,361</u>	<u>\$ 7,632,174</u>

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### DECEMBER 31, 2024 AND 2023

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#### 3. Liquidity and Availability of Funds – Continued

As part of OHB's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. OHB invests cash in excess of daily requirements in money market deposit accounts. To help manage unanticipated liquidity needs, OHB has a board-designated endowment of approximately \$59 million and \$58 million as of December 31, 2024 and 2023, respectively. Although OHB does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual appropriation process, amounts from its board-designated endowment could be made available if necessary. The government assistance receivable would be available for general expenditures if received in the next year. As the claims for credits are subject to review and approval and the increased scrutiny of the program, the timing of receipt of the funds is uncertain.

#### 4. Contributions and Grants Receivable

OHB has received contributions and grants to support its programs. OHB considers the receivables to be fully collectible and an allowance is unnecessary. The receivables are valued upon initial receipt using the fair value level 3 as discussed in note 6. A discount to present value is not considered necessary based on prior history with the donors. All amounts are to be received in the next year.

#### 5. Investments

Investments consist of the following at December 31:

	2024	2023
	<u>Fair Value</u>	<u>Fair Value</u>
Money market funds	\$ 1,880,162	1,680,935
Mutual funds:		
Domestic equity	7,881,949	5,606,123
International equity	5,143,062	5,555,892
Government obligations	635,788	2,708,500
Corporate obligations	8,651,722	9,728,080
Fixed income	4,200,678	4,486,239
Domestic equities:		
Financial services	5,093,691	3,418,456
Technology	4,804,080	3,718,814
Consumer cyclical	4,387,645	3,717,294
Other	10,236,528	10,293,849
International equities	5,699,593	6,731,666
Alternative investments	1,611,915	1,660,021
Real asset funds	2,386,954	2,959,291
	<u>\$ 62,613,767</u>	<u>\$ 62,265,160</u>

## OMAHA HOME FOR BOYS AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### 6. Fair Value Measurements

OHB reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by U.S. GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which OHB has access at the measurement date.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:  
quoted prices for similar assets or liabilities in active markets;

- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, OHB measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for some of the assets and liabilities that OHB is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in OHB's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and contributions and grants receivable.
- recurring measurement of endowment investments.

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

6. Fair Value Measurements – Continued

The following table summarizes the levels in the fair value hierarchy of the organization's investments at December 31:

	2024			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money market funds	\$ 1,880,162	--	--	1,880,162
Mutual funds:				
Domestic equity	7,881,949	--	--	7,881,949
International equity	5,143,062	--	--	5,143,062
Government obligations	635,788	--	--	635,788
Corporate obligations	8,651,722	--	--	8,651,722
Fixed income	4,200,678	--	--	4,200,678
Domestic equities:				
Financial Services	5,093,691	--	--	5,093,691
Technology	4,804,080	--	--	4,804,080
Consumer cyclical	4,387,645	--	--	4,387,645
Other	10,236,528	--	--	10,236,528
International equities	5,699,593	--	--	5,699,593
Real asset funds	489,171	--	--	489,171
	<u>\$ 59,104,069</u>	<u>--</u>	<u>--</u>	<u>59,104,069</u>
Investments measured at net asset value (NAV) (1)				<u>\$ 62,613,767</u>
	2023			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money market funds	\$ 1,680,935	--	--	1,680,935
Mutual funds:				
Domestic equity	5,606,123	--	--	5,606,123
International equity	5,555,892	--	--	5,555,892
Government obligations	2,708,500	--	--	2,708,500
Corporate obligations	9,728,080	--	--	9,728,080
Fixed income	4,486,239	--	--	4,486,239
Domestic equities:				
Financial Services	3,418,456	--	--	3,418,456
Energy	3,619,469	--	--	3,619,469
Consumer cyclical	3,717,294	--	--	3,717,294
Other	10,393,194	--	--	10,393,194
International equities	6,731,666	--	--	6,731,666
Real asset funds	1,116,178	--	--	1,116,178
	<u>\$ 58,762,026</u>	<u>--</u>	<u>--</u>	<u>58,762,026</u>
Investments measured at net asset value (NAV) (1)				<u>\$ 62,265,160</u>

- (1) In accordance with FASB ASC 820-10, certain investments that were measured at NAV (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to investments at fair value presented on the balance sheet.

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

6. **Fair Value Measurements – Continued**

The following summarizes the nature and risk of those investments that are reported at estimated fair value utilizing net asset value as of December 31:

	2024			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments				
Private Capital (a)	\$ 1,611,915	--	Various	Various
Real asset funds				
Private Real Estate (b)	<u>1,897,783</u>	<u>146,253</u>	Various	Various
	<u>\$ 3,509,698</u>	<u>146,253</u>		
	2023			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments				
Private Capital (a)	\$ 1,660,020	12,650	Various	Various
Real asset funds				
Private Real Estate (b)	<u>1,843,114</u>	<u>245,003</u>	Various	Various
	<u>\$ 3,503,134</u>	<u>257,653</u>		

- a. Assets in this category are private investment vehicles that pool investor monies to acquire a significant stake in a non-public company. They generally look for ways to improve the company then sell them for a profit; changes to acquired companies can range from focused improvements to specific divisions to complete restructurings. Strategies employed include Mezzanine financing, a layer of financing with intermediate priority in the capital structure of a company, behind senior debt but above equity. They are generally illiquid positions with minimum capital lock-up periods.
- b. Assets in this category are private investment vehicles which pool investor capital for the purchase, development, management and sale of property and improvements. Real estate funds offer investors potential to profit from direct participation in opportunities run by experienced participating investors and developers.

7. **Land, Buildings, and Equipment**

Land, buildings, and equipment at December 31 are as follows:

	2024	2023
Land and land improvements	\$ 268,563	\$ 268,563
Buildings and improvements	40,775,252	40,573,653
Furniture and equipment	1,266,259	1,168,012
Vehicles	509,934	509,934
Other	<u>26,830</u>	<u>26,830</u>
	42,846,838	42,546,992
Less accumulated depreciation	<u>26,660,131</u>	<u>25,601,419</u>
Total land, buildings, and equipment	<u>\$ 16,186,707</u>	<u>\$ 16,945,573</u>

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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**8. Accounting for Endowments**

OHB's endowment consists of approximately 26 individual funds established either by donors (referred to as donor-restricted endowment funds) and or by resources set aside by the Board of Directors to function as endowments (referred to as board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

OHB has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, OHB classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund is the accumulated gains on the original gifts that are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by OHB in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, OHB considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund,
- The purposes of the institution and donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the institution, and
- The investment policy of the institution

The net asset composition of the endowment as of December 31 is as follows:

	2024		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total Net Endowment <u>Assets</u>
Donor-restricted endowment funds:			
Perpetual in duration – original gift amount	\$ --	1,843,127	1,843,127
Other	--	2,157,715	2,157,715
Board-designated endowment funds	<u>58,612,925</u>	<u>--</u>	<u>58,612,925</u>
	<u>\$ 58,612,925</u>	<u>4,000,842</u>	<u>62,613,767</u>

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

8. Accounting for Endowments – Continued

	2023		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total Net Endowment <u>Assets</u>
Donor-restricted endowment funds:			
Perpetual in duration – original gift amount	\$ --	1,843,127	1,843,127
Other	--	2,192,469	2,192,469
Board-designated endowment funds	<u>58,229,564</u>	<u>--</u>	<u>58,229,564</u>
	<u>\$ 58,229,564</u>	<u>4,035,596</u>	<u>62,265,160</u>

Spending Policy

The majority of endowment funds released from restriction are transferred into the general investment pool of OHB which is considered without donor restrictions. These funds are then subject to the spending policy outlined below.

The payout rate is the amount of money to be spent from the general investment portfolio without donor restrictions on an annual basis. OHB's spending formula is to spend no more than 4.5% of the trailing 12 calendar quarter average of the market value of the general investment funds without donor restrictions. The payout rate and spending formula are reviewed annually, and recommendations are made by the Finance Committee and then formally set by the Board of Directors. For the years ended December 31, 2024 and 2023, the Board approved a 6.0% and 5.5% payout rate, respectively, which exceeds the policy rate of 4.5% as a result of current operating needs and those of special projects.

Investment Policy

OHB has an investment policy specific to its endowment fund, which is monitored by the Finance Committee of its Board of Directors. The investment policy describes the objective for the fund and sets ranges for asset allocation. The objective of the endowment fund is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment fund assets, to provide necessary capital to fund the spending policy, and to cover the costs of managing the endowment fund investments.

The following is a summary of the asset allocation allowable ranges for each asset type:

<u>Asset Category</u>	<u>Range</u>
Money market funds	2-8%
Fixed income	10-30%
Equities	50-80%
Alternative investments/Real Assets	5-15%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

8. Accounting for Endowments – Continued

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires OHB to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred and the allocation of investment losses to the funds. There were no appropriations from the underwater endowment funds. There was no deficiency as of December 31, 2024 and a deficiency of approximately \$2,600 at December 31, 2023.

The change in endowment net assets for the years ended December 31 are as follows:

	2024		
	<u>Without Donor Restrictions</u>	<u>Restricted by Donor</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, December 31, 2023	\$ 58,229,564	4,035,596	62,265,160
Contributions	--	70,932	70,932
Investment return, net	4,354,835	296,937	4,651,772
Amounts appropriated	<u>(3,971,474)</u>	<u>(402,623)</u>	<u>(4,374,097)</u>
Endowment net assets, December 31, 2024	<u>\$ 58,612,925</u>	<u>4,000,842</u>	<u>62,613,767</u>
	2023		
	<u>Without Donor Restrictions</u>	<u>Restricted by Donor</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, December 31, 2022	\$ 56,372,186	3,225,554	59,597,740
Contributions	--	715,437	715,437
Investment return, net	5,414,274	355,495	5,769,769
Amounts appropriated	<u>(3,556,896)</u>	<u>(260,890)</u>	<u>(3,817,786)</u>
Endowment net assets, December 31, 2023	<u>\$ 58,229,564</u>	<u>4,035,596</u>	<u>62,265,160</u>

9. Self-Insured Health Insurance

OHB has a self-insurance program, with a specific individual stop-loss policy limit of \$35,000 and an aggregate stop-loss limit of approximately \$690,000, for the purpose of providing medical health insurance coverage to its employees. OHB is obligated to pay the claims and then receive reimbursement from the reinsurer. Employees pay a portion of the premiums associated with the policy. Claims incurred prior to January 1, 2025 and paid after December 31, 2024 including claims incurred but not reported and claims reported but not paid are based on estimates that incorporate past experience and other considerations, including the nature of each claim. At December 31, 2024 and 2023, as OHB had claims which exceeded the aforementioned stop-loss limits, the estimated receivable due for reimbursement was approximately \$70,000 and \$76,000, respectively.

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**10. Land and Facility Rental**

A. Land Lease

In 2018, OHB entered into a long-term land lease for approximately .40 acre on OHB's main campus. The term of this lease is for 75 years, for the purposes of a medical clinic on a northern section of OHB's campus. OHB received all compensation at the execution of the lease in the amount of \$800,000, which will be recognized as revenue over the life of the lease. The lease may be renewed for two terms, each comprised of ten years.

The amount remaining to be recognized as of December 31, 2024 and 2023 was \$727,940 and \$738,620, respectively, and is included in deferred revenue in the statements of financial position.

B. Facility Rental

OHB has operating leases for the rental of its available facilities. Most leases can be cancelled with 90 days' notice of termination by either party; however, OHB expects these leases to continue in accordance with the current terms. The following is a schedule of future minimum rental receipts as of December 31, 2024.

2025	\$ 150,756
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**11. Defined Benefit Pension Plan**

OHB established a defined benefit pension plan (the Plan) covering substantially all of its employees effective January 1, 2000. The benefits are based on the years of credited service and the employee's highest 60-month average compensation. The pension plan is tax qualified subjected to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). OHB's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of ERISA after all accumulated excess contributions are exhausted. Contributions were intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. The expected return on assets assumption of 6% is based on the historical and projected rates of return for asset classes in the plan's investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing historical experience, future expectations of the returns, and the volatility of the various asset classes. OHB froze the plan during the year ended October 31, 2009. The Plan freeze is recognized as a curtailment. The resulting reduction in the projected benefit obligation offset the Plan's unrecognized net loss. During 2024, the Board of Directors voted to terminate and liquidate the OHB Pension Plan effective December 31, 2024. OHB is expected to make a contribution to the pension plan in 2025 in the amount needed to fully fund the pending plan termination.

During 2007, OHB adopted the recognition and disclosure provisions of Financial Accounting Standards Board standards. All components of the net periodic pension cost are presented with employee benefits in the Statement of Functional Expenses. At December 31, 2024 and 2023, the items not yet recognized as a component of net periodic pension postretirement benefit are as follows:

	<u>2024</u>	<u>2023</u>
Net actuarial gain	\$ 78,547	180,817

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

11. Defined Benefit Pension Plan – Continued

The components of the Plan's funded status, net periodic benefit costs and actuarial assumptions used in accounting for defined benefit plans for the periods ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Change in projected benefit obligation:		
Projected benefit obligation, beginning of year	\$ 3,121,294	3,186,290
Interest cost	149,245	159,643
Actuarial loss/(gain)	(146,322)	28,074
Benefits and expenses paid	<u>(243,015)</u>	<u>(252,713)</u>
Projected benefit obligation, end of year	<u>\$ 2,881,202</u>	<u>\$ 3,121,294</u>
Change in plan assets:		
Plan assets at fair value, beginning of year	\$ 3,097,448	\$ 2,970,127
Actual return	111,047	380,034
Employer contributions	--	--
Benefits and expenses paid	<u>(243,015)</u>	<u>(252,713)</u>
Plan assets at fair value, end of year	<u>\$ 2,965,480</u>	<u>\$ 3,097,448</u>
Funded status at end of year	<u>\$ 84,728</u>	<u>\$ (23,846)</u>
Amounts recognized in the statement of financial position:		
Accrued retirement plan contribution	<u>\$ 84,728</u>	<u>\$ (23,846)</u>
Components of net periodic pension cost:		
Interest cost	\$ 149,245	\$ 159,643
Expected return on plan assets	(178,822)	(171,143)
Amortization of unrecognized net obligation at transition	--	--
Net periodic pension cost	<u>\$ (29,577)</u>	<u>\$ (11,500)</u>

Average assumptions used at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	
	Benefit Obligation	Net Periodic Expense
Discount rate	5.50%	5.00%
Salary scale	N/A	N/A
Return on assets	6.00%	6.00%
	<u>2023</u>	
	Benefit Obligation	Net Periodic Expense
Discount rate	5.00%	5.25%
Salary scale	N/A	N/A
Return on assets	6.00%	6.00%

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

**11. Defined Benefit Pension Plan – Continued**

Plan assets consist of guaranteed investments contracts, common stock funds, bonds and cash. There are no securities of OHB or related parties. Plan assets consisted of the following at December 31:

	2024	
	Fair Value	Percentage of Total
Cash	\$ 79,460	0.90%
Mutual funds	2,886,020	99.10%
Accrued items	<u>--</u>	<u>0.00%</u>
	<u>\$ 2,965,480</u>	<u>100.00%</u>

  

	2023	
	Fair Value	Percentage of Total
Cash	\$ 27,703	0.90%
Mutual funds	3,069,745	99.10%
Accrued items	<u>--</u>	<u>0.00%</u>
	<u>\$ 3,097,448</u>	<u>100.00%</u>

During the periods ending December 31, 2024 and 2023, OHB made no contributions to the plan and expects to make a contributions to the plan in fiscal year 2025 to insure fully funded status. OHB paid benefits and expenses of \$243,015 and \$252,713 for the periods ended December 31, 2024 and 2023. The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid are:

Fiscal Year Ended	Amount
2025	233,253
2026	230,976
2027	226,450
2028	221,232
2029	225,517
2030-2034	1,050,029

**12. Retirement Plan**

On June 14, 1988, OHB adopted a defined contribution non-contributory retirement plan. On November 1, 2001, OHB converted the plan to a 401(k) employer-sponsored savings plan. The plan is for all employees at least 21 years old with three months of service and scheduled to work at least 20 hours per week. OHB matches 50% of the employee's contribution up to 6% of the employee's wages. OHB's contribution for the years ended December 31, 2024 and 2023 was \$130,548 and \$101,859, respectively.

OMAHA HOME FOR BOYS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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**13. Net Assets with Donor Restrictions**

Net assets restricted by the donor are as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for a specific purpose:		
Subject to OHB's spending policy and appropriation	\$ 2,802,050	2,586,715
Specific operations:		
Jacobs' Place and Branching Out	46,250	95,209
Other	97,370	132,396
Capital projects	410,786	503,045
Scholarships	3,470,658	3,338,473
Amounts restricted in perpetuity, the income of which is available for the following purposes:		
General operations	1,762,256	1,762,256
Scholarships	484,238	484,238
	<u>\$ 9,073,608</u>	<u>\$ 8,902,332</u>

**14. Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The amounts released during the periods ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Appropriations for general operations	\$ 211,372	\$ 132,707
Specific operations:		
Jacobs' Place and Branching Out	207,339	316,209
Other	159,321	269,404
Capital projects	125,174	164,513
Scholarships	177,733	90,439
	<u>\$ 880,939</u>	<u>\$ 973,272</u>

**15. Concentrations of Risk**

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insured limits. OHB deposits its cash with high quality financial institutions, and management believes OHB is not exposed to significant credit risk on those amounts. At December 31, 2024 and 2023, OHB's cash accounts exceeded federally insured limits.

The majority of OHB's contributions and grants are received from corporations, foundations, and individuals located throughout the United States and from agencies of the State of Nebraska. As such, OHB's ability to generate resources via contributions and grants is dependent upon the economic health of the United States and the State of Nebraska. An economic downturn could cause a decrease in contributions and grants that may possibly coincide with an increase in demand for OHB's services. The contributions and grants receivable were from three contributors as of December 31, 2024.

**OMAHA HOME FOR BOYS AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

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**15. Concentrations of Risk - Continued**

OHB's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to OHB's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes (see notes 6 and 8) should mitigate the impact of changes in any one class.

**16. Government Assistance Receivable**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 as modified and extended, OHB was eligible for Employee Retention Tax Credits based on a percentage of qualified wages and health insurance benefits paid to employees. Credits of \$2,100,000 were recorded as government assistance during the year ended December 31, 2023. As of December 31, 2024, the balance remains recorded as receivable and is expected to be received in full. The IRS has delayed payment on these credits due to additional scrutiny of the program; however, management expected payment within the next year.