THE OMAHA HOME FOR BOYS

FINANCIAL STATEMENTS

DECEMBER 31, 2020

(WITH INDEPENDENT AUDITOR'S REPORT)

FrankelZacharia LLC

Certified Public Accountants

THE OMAHA HOME FOR BOYS

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DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Omaha Home for Boys

We have audited the accompanying financial statements of The Omaha Home for Boys ("the Home"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Omaha Home for Boys as of December 31, 2020, and the changes in its net assets, its cash flows and its functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Frankel Zacharia LLC

March 17, 2021

THE OMAHA HOME FOR BOYS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS		
Cash and cash equivalents	$	1,197,062
Accounts receivable		355,333
Other receivables		68,119
Prepaid expenses and other assets		178,286
Contributions and grants receivable		448,516
Investments		62,809,931
Beneficial interest in trusts		3,162,369
Land, buildings, and equipment, net		19,571,527
TOTAL ASSETS	**$**	**87,791,143**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$	233,868
Accrued expenses and other liabilities		342,739
Capital lease obligations		54,974
Annuity obligations		129,459
Deferred revenue		770,660
Accrued retirement plan contribution		993,190
Total liabilities		**2,524,890**
Net Assets		
Without donor restrictions		78,510,407
With donor restrictions		6,755,846
Total net assets		**85,266,253**
TOTAL LIABILITIES AND NET ASSETS	**$**	**87,791,143**

See accompanying notes to financial statements.

THE OMAHA HOME FOR BOYS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains				
Contributions - general	$	3,075,427	548,060	3,623,487
Contributions - program service		1,389,875	-	1,389,875
Net investment income		3,836,550	155,451	3,992,001
Net earnings in beneficial interest in trusts		-	346,510	346,510
Rental income		272,783	-	272,783
Other		14,363	-	14,363
Gain on extinguishment of PPP loan		718,500	-	718,500
Total revenues and gains		**9,307,498**	**1,050,021**	**10,357,519**
Functional expenses				
Program services:				
Residential group home		3,356,054	-	3,356,054
Self-sufficiency services		1,851,643	-	1,851,643
Clinical services		1,646,940	-	1,646,940
Total program services		**6,854,637**	-	**6,854,637**
Supporting services				
Management and general		1,320,368	-	1,320,368
Fundraising		1,412,271	-	1,412,271
Total supporting expenses		**2,732,639**	-	**2,732,639**
Total functional expenses		**9,587,276**	-	**9,587,276**
Actuarial loss on accrued retirement plan contribution		211,810	-	211,810
Actuarial loss on annuity obligations		13,299	-	13,299
Loss on disposal of capital assets		656,592	-	656,592
Total expenses and losses		**10,468,977**	-	**10,468,977**
Reclassifications of net assets:				
Expiration of time or purpose restrictions		823,046	(823,046)	-
INCREASE (DECREASE) IN NET ASSETS		**(338,433)**	**226,975**	**(111,458)**
Net assets at beginning of year		78,848,840	6,528,871	85,377,711
NET ASSETS AT END OF YEAR	**$**	**78,510,407**	**6,755,846**	**85,266,253**

See accompanying notes to financial statements.

THE OMAHA HOME FOR BOYS

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Residential Group Home	Self-Sufficiency Services	Clinical Services	Total Program Services	Management & General	Fundraising	Total Expenses
Salaries	$ 1,609,985	907,730	910,624	3,428,339	428,955	486,387	4,343,681
Employee benefits	397,697	239,170	191,847	828,714	123,664	116,832	1,069,210
Payroll taxes	117,183	66,044	67,308	250,535	27,026	33,621	311,182
Total salaries and related expenses	**2,124,865**	**1,212,944**	**1,169,779**	**4,507,588**	**579,645**	**636,840**	**5,724,073**
Depreciation	406,741	202,859	148,590	758,190	272,851	12,730	1,043,771
Equipment and maintenance	143,903	50,126	50,730	244,759	62,169	9,747	316,675
Insurance	91,727	36,691	36,691	165,109	16,510	1,835	183,454
Interest expense	1,330	726	574	2,630	121	272	3,023
Miscellaneous	19,265	9,965	16,891	46,121	65,657	28,498	140,276
Occupancy	172,488	101,118	74,997	348,603	67,988	528	417,119
Postage	38	46	-	84	222	223,684	223,990
Professional development	2,675	1,321	4,702	8,698	16,829	5,464	30,991
Professional fees and contract services	138,028	49,222	44,083	231,333	197,405	21,791	450,529
Promotion and printing	43,594	24,357	50,303	118,254	29,123	454,748	602,125
Scholarships	4,521	36,384	-	40,905	-	-	40,905
Supplies	23,480	8,163	10,833	42,476	2,158	13,654	58,288
Travel and transportation	5,838	3,117	3,456	12,411	9,690	2,480	24,581
Youth direct care	177,561	114,604	35,311	327,476	-	-	327,476
Total expenses	**$ 3,356,054**	**1,851,643**	**1,646,940**	**6,854,637**	**1,320,368**	**1,412,271**	**9,587,276**

See accompanying notes to financial statements.

THE OMAHA HOME FOR BOYS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities:		
Change in net assets	$	(111,458)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation		1,043,771
Net realized and unrealized gains on investments		(2,262,133)
Net change in beneficial interest in trusts		(216,066)
Actuarial loss on annuity obligations		13,299
Loss on disposal of capital assets		656,592
Gain on extinguishment of PPP loan		(718,500)
Changes in:		
Accounts and interest receivable		9,299
Other receivables		191,866
Prepaid expenses and other assets		(6,329)
Contributions receivable		(375,116)
Accounts payable		(65,000)
Accrued expenses and other liabilities		149
Deferred revenue		(10,680)
Accrued retirement plan contribution		166,436
Net cash used by operating activities		**(1,683,870)**
Cash flows from investing activities:		
Purchases of capital assets		(677,922)
Purchases of investments		(21,279,610)
Proceeds from sale of investments		22,904,917
Net cash provided by investing activities		**947,385**
Cash flows from financing activities:		
Proceeds from PPP loan		718,500
Payment of capital lease obligations		(52,144)
Payment of annuity obligations		(24,538)
Net cash provided by financing activities		**641,818**
NET DECREASE IN CASH		**(94,667)**
Cash and cash equivalents, beginning of year		1,291,729
Cash and cash equivalents, end of year	**$**	**1,197,062**
Supplemental data:		
Interest paid	$	3,023

See accompanying notes to financial statements.

1. Description of Organization

The Omaha Home for Boys (the Home) is a nonprofit organization serving youth and their families. The Home is a resource in the community, offering services and stability while working in collaboration with schools, service providers and other nonprofit organizations to help youth and families be successful. The Home offers a continuum of three relevant and needed programs:

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 require 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 males who live on our main campus and attend the Omaha Home for Boys High School while also having access to therapy, employment opportunities, 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, or with a roommate who is also in the program. This service assists the youth in developing the competence and skill that enable them to reside independently in the community. Any gender and ages 17 to 20.

Independent Living is a skill-based program working with young people who are in or who have aged out of the foster care system. Support to work towards independent living, employment and education goals. Any gender and ages 14 to 26.

Supportive Housing is a housing program which offers scaled rent while young people stabilize and work on their education/employment skills. Young people are offered support and assistance by means of onsite staff. Any gender and ages 18 to 26, may or may not have their children in their custody.

Clinical Services

The Clinical Services Program offers a number of behavioral health, mental health and substance abuse services that are both 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 the Home'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 are 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, but are not limited to, life and leisure skill development, tutoring, decision making, anger management, victim mediation, victim empathy, GED preparation, vocational instruction, pro social and recreational activities. Any gender and ages 12 to 18.

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 placement. Crisis Stabilization may be utilized as an alternative to detention. Youth in this service require crisis intervention, consistent behavior management, supervision and therapeutic services for any gender, ages 12 to 18.

1. Description of Organization - Continued

Founded in 1920, the Home is a leader and pioneer in the community-based services to youth and their families. The goal of the Home is reunification of the family. Each year, the Home cares for over 1,100 young men and women ages 14 to 26.

2. Summary of Significant Accounting and Reporting Policies

The Home 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 Home 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 Home's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Home's 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 the Home, the environment in which it operates, the purposes specified in its corporate documents and its application 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.

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. 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 the Home, unless the donor provides more specific directions about the period of its use.

2. Summary of Significant Accounting and Reporting Policies - Continued

Net Assets - Continued

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.

Accounts Receivable

Accounts receivable is primarily made up of unsecured non-interest-bearing amounts due from placement agencies. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables 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 additional 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.

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 the Home's activities.
>
> Donor-restricted term endowments, which are contributions restricted by donors to investment 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 the Home 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 to 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.

2. Summary of Significant Accounting and Reporting Policies - Continued

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 9.

Beneficial Interest in Trusts

The Home is a partial or full irrevocable beneficiary of four 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 the Home is a partial beneficiary, the fair value and change in the fair value, are reported at the Home'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
Intangible assets	3 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 period ended December 31, 2020, no impairment loss was recognized in the financial statements.

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.

The Home 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 the Home has an irrevocable right to the bequest.

2. Summary of Significant Accounting and Reporting Policies - Continued

Gifts-in-Kind Contributions

The Home periodically receives contributions in a form other than cash or investments. If the Home 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 the Home'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. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

Annuity Obligations

The Home receives gifts of future interest from donors. Certain annuity gifts require payments to donor or other life beneficiaries during their lifetime. The present value of the actuarially determined liability resulting from annuity gifts is recorded at the date of the gift. The excess of the amount of the gift over the liability is recorded as a contribution in the year of the gift.

Grant Revenue

Income from grants, primarily reported as contributions, is recognized as revenue in accordance with the terms of the respective grant and amounts included in accounts receivable are considered fully collectible.

Expense Recognition and Allocation

The cost of providing the Home'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 Home. Additionally, advertising costs are expensed as incurred.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Home 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.

Tax Status

The Home is incorporated 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). The Home is organized under Section 21 of the Nebraska Non-profit Corporation Act. Contributions to the Home are tax deductible to donors under Section 170 of the IRC. The Home is not classified as a private foundation.

2. Summary of Significant Accounting and Reporting Policies - Continued

Tax Status - Continued

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. The Home believes it complies with all relevant tax laws and regulations and has no significant uncertain tax positions; accordingly, no liability for uncertain tax positions has been recognized in the financial statements.

Compensated Absences

The Home recognizes employees' vacation benefits in the period earned.

Subsequent Events

Management evaluated transactions and events occurring subsequent to December 31, 2020, and through March 17, 2021 (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, other than note 21.

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:

Cash and cash equivalents	$ 1,197,062
Accounts receivable	355,333
Other receivables	68,119
Contributions and grants receivable	448,516
Total financial assets as of year end	2,069,030
Estimated appropriation from endowment for general expenditure in subsequent year	3,203,000
Total financial assets available to meet general expenditures as of year end	$ 5,272,030

As part of the Home'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. The Home invests cash in excess of daily requirements in money market deposit accounts. To help manage unanticipated liquidity needs, the Home has a board-designated endowment of approximately $59 million as of December 31, 2020. Although the Home 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.

4. Contributions and Grants Receivable

The Home has received contributions and grants to support its programs. The Home 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 7. 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. Conditional Contributions

The Home has conditional contributions in the form of cost-reimbursement grants. The revenue from these grants is recognized as the Home incurs expenses and bills the respective grantor. As of December 31, 2020, there was approximately $256,000 available to be reimbursed on these grants for future expenses.

6. Investments

Investments consist of the following at December 31, 2020:

	Fair Value
Money market funds	$ 4,585,368
Mutual funds:	
Domestic equity	3,377,467
Domestic alternative equity	6,374,624
International equity	4,575,242
Government obligations	4,808,395
Corporate obligations	7,753,143
Fixed income	3,867,080
Domestic equities:	
Financial services	4,011,121
Healthcare	3,654,626
Other	10,545,967
International equities	6,229,177
Alternative investments	1,668,073
Real asset funds	1,359,648
	$ 62,809,931

7. Fair Value Measurements

The Home 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 the Home 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, the Home 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 the Home 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 the Home's financial statements are:

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

- recurring measurement of endowment investments.

7. Fair Value Measurements - Continued

The following table summarizes the levels in the fair value hierarchy of the organization's investments at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 4,585,368	--	--	4,585,368
Mutual funds:				
Domestic equity	3,377,467	--	--	3,377,467
Domestic alternative equity	6,374,624	--	--	6,374,624
International equity	4,575,242	--	--	4,575,242
Government obligations	4,808,395	--	--	4,808,395
Corporate obligations	7,753,143	--	--	7,753,143
Fixed income	3,867,080	--	--	3,867,080
Domestic equities:				
Financial Services	4,011,121	--	--	4,011,121
Healthcare	3,654,626	--	--	3,654,626
Other	10,545,967	--	--	10,545,967
International equities	6,229,177	--	--	6,229,177
Real asset funds	1,184,797	--	--	1,184,797
	$ 60,967,007	--	--	60,967,007
Investments measured at net asset value (NAV) (1)				1,842,924
				$ 62,809,931

(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.

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, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments				
Private Capital (a)	$ 1,668,073	99,575	Various	Various
Real asset funds				
Private Real Estate (b)	174,851	356,847	Various	Various
	$ 1,842,924	456,422		

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.

8. Land, Buildings, and Equipment

Land, buildings, and equipment at December 31, 2020 are as follows:

Land and land improvements	$ 268,563
Buildings and improvements	40,140,968
Furniture and equipment	1,496,305
Vehicles	444,209
Intangibles	20,000
Construction in progress	78,004
	42,448,049
Less accumulated depreciation	22,876,522
Total land, buildings, and equipment	$ 19,571,527

9. Accounting for Endowments

The Home's endowment consists of approximately 20 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

The Home 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, the Home 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 the Home in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, the Home 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

9. Accounting for Endowments - Continued

The net asset composition of the endowment as of December 31, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds:			
Perpetual in duration – original gift amount	$ --	1,843,127	1,843,127
Other	--	1,227,058	1,227,058
Board-designated endowment funds	59,739,746	--	59,739,746
	$ 59,739,746	3,070,185	62,809,931

Spending Policy

The majority of endowment funds released from restriction are transferred into the general investment pool of the Home 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. The Home'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 year ended December 31, 2020, the Board approved a 5.0% payout rate, which exceeds the policy rate of 4.5% as a result of current operating needs and those of special projects.

Investment Policy

The Home 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:

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

9. 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 the Home to retain as a fund of perpetual duration. These deficiencies may result from unfavorable market fluctuations that occurred after the investment of donor-restricted endowment funds and appropriation for programs that was deemed prudent by the Board of Directors. There were no such deficiencies as of December 31, 2020.

The change in endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions	Restricted by Donor	Total Net Endowment Assets
Endowment net assets, December 31, 2019	$59,125,151	3,047,954	62,173,105
Contributions	1,162,286	--	1,162,286
Investment return, net	3,834,632	155,451	3,990,083
Amounts appropriated	(4,382,323)	(133,220)	(4,515,543)
Endowment net assets, December 31, 2020	$59,739,746	3,070,185	62,809,931

10. Capital Lease Obligations

Capital lease obligations at December 31, 2020 are as follows:

Capital lease with Metro Leasing for various computer equipment that may be purchased for a nominal amount at the expiration of the lease. The interest rate implicit in this lease is 3.49%. The monthly payment is $2,632 and the lease expires on July 1, 2021. Secured by equipment with an original purchase price of $90,111 and accumulated amortization as of December 31, 2020 of $80,099.	$ 13,061
Capital lease with Metro Leasing for various server switches that may be purchased for a nominal amount at the expiration of the lease. The interest rate implicit in the lease is 3.80%. The monthly payment is $1,567 and the lease expires on June 30, 2023. Secured by equipment with an original purchase price of $70,095 and accumulated amortization as of December 31, 2020, of $27,702.	41,913
	$ 54,974

The following is a schedule by year of future expected capital lease payments as of December 31, 2020:

2021	$ 30,570
2022	18,186
2023	6,218
	$ 54,974

11. Annuity Obligations

Under the Home's charitable gift annuities program, liabilities are recorded for the present value of the estimated future payments expected to be made to the donors or other life beneficiaries, or both. Upon termination of a life interest, the share of the corpus attributable to the life interest holder becomes available to the Home, if any. Changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments are recognized annually by the Home based on actuarially determined valuations. The discount rate used to value split-interest agreements at December 31, 2020, range from 1.2% to 10.0%. Contribution revenue is recognized at the date these split-interest agreements are established.

12. Operating Lease Commitments

The Home has an operating lease for multiple copiers and printers. The following is a schedule of future minimum rental payments as of December 31, 2020:

2021	$ 32,506
2022	32,506
2023	32,506
2024	13,544
	$ 111,062

Copier and printer costs, which are included in promotion and printing costs in the statement of functional expenses, was $35,295 for the year ended December 31, 2020.

13. Land and Facility Rental

A. Land Lease

In 2018, the Home entered into a long-term land lease for approximately .40 acre on the Home's main campus. The term of this lease is for 75 years, for the purposes of a medical clinic on a northern section of the Home's campus. The Home 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 amount remaining to be recognized as of December 31, 2020 was $770,660 and is included in deferred revenue in the statement of financial position.

B. Facility Rental

The Home 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, the Home 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, 2020.

2021	$ 181,040

14. Defined Benefit Pension Plan

The Home 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 high 60-month average compensation. The pension plan is tax qualified subjected to the minimum funding requirements of ERISA. The Home'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. The Home 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 2007, the Home adopted the recognition and disclosure provisions of FASB ASC 715-20-50-5. All components of the net periodic pension cost are presented with employee benefits in the Statement of Functional Expenses. At December 31, 2020, the items not yet recognized as a component of net periodic pension postretirement benefit are as follows:

Net actuarial loss	$211,810

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, 2020 are as follows:

Change in projected benefit obligation:	
Projected benefit obligation, beginning of year	$ 4,218,073
Interest cost	133,980
Actuarial loss/(gain)	492,199
Benefits and expenses paid	(200,851)
Projected benefit obligation, end of year	$ 4,643,401
Change in plan assets:	
Plan assets at fair value, beginning of year	$ 3,391,319
Actual return	459,743
Employer contributions	--
Benefits and expenses paid	(200,851)
Plan assets at fair value, end of year	$ 3,650,211
Funded status at end of year	$ (933,190)
Amounts recognized in the statement of financial position:	
Accrued retirement plan contribution	$ (933,190)
Components of net periodic pension cost:	
Interest cost	$ 133,980
Expected return on plan assets	(196,413)
Amortization of unrecognized net obligation at transition	17,059
Net periodic pension cost	$ (45,374)

14. Defined Benefit Pension Plan - Continued

Average assumptions used at December 31, 2020 are as follows:

	Benefit Obligation	Net Periodic Expense
Discount rate	2.25%	3.25%
Salary scale	N/A	N/A
Return on assets	6.00%	6.00%

Plan assets consist of guaranteed investments contracts, common stock funds, bonds and cash. There are no securities of the Home or related parties. Plan assets consisted of the following at December 31, 2020:

	Fair Value	Percentage of Total
Cash	$ 95,428	2.60%
Pooled, Common & Collective Funds	2,850,448	78.10%
Mutual funds	704,322	19.30%
Accrued items	13	0.00%
	$ 3,650,211	100.00%

During the period ending December 31, 2020, the Home made no contributions to the plan and expects to make no contributions to the plan in fiscal year 2021. The Home paid benefits and expenses of $200,851 for the period ended December 31, 2020. The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid are:

Fiscal Year Ended	Amount
2021	$ 235,215
2022	231,700
2023	262,399
2024	257,011
2025	253,057
2026-2030	1,189,534

15. Retirement Plan

On June 14, 1988, the Home adopted a defined contribution non-contributory retirement plan. On November 1, 2001, the Home 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. The Home matches 50% of the employee’s contribution up to 6% of the employee’s wages. Participants’ interests become 20% vested after two years, 50% vested after three years, 75% vested after four years, and fully vested after five years of service. The Home’s contribution for the period ended December 31, 2020 was $142,846.

16. Self-Insured Health Insurance

The Home has a self-insurance program, with a specific individual stop-loss policy limit of $25,000 and an aggregate stop-loss limit of approximately $720,000, for the purpose of providing medical health insurance coverage to its employees. Employees pay a portion of the premiums associated with the policy. Losses from asserted claims and losses attributable to incidents that may have occurred, but have not yet been identified, are accrued based on estimates that incorporate past experience and other considerations, including the nature of each claim or incident. At December 31, 2020, the estimated liability related to this program was approximately $83,000.

17. Net Assets with Donor Restrictions

Net assets restricted by the donor are as follows:

Subject to expenditure for a specific purpose:	
Subject to the Home's spending policy and appropriation	$ 979,161
Specific operations:	
Jacobs' Place and Branching Out	81,518
Crisis Stabilization	358,060
Other	45,629
Scholarships	3,044,984
Amounts restricted in perpetuity, the income of which is available for the following purposes:	
General operations	1,762,256
Scholarships	484,238
	$ 6,755,846

18. 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 period ended December 31, 2020 are as follows:

Appropriations for general operations	$ 147,529
Specific operations:	
Jacobs' Place and Branching Out	173,400
Crisis Stabilization	357,712
Other	103,500
Scholarships	40,905
	$ 823,046

19. 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. The Home deposits its cash with high quality financial institutions, and management believes the Home is not exposed to significant credit risk on those amounts. At December 31, 2020, the Home's cash accounts exceeded federally insured limits.

The majority of the Home'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, the Home'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 the Home's services.

The Home'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 the Home'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 7 and 9) should mitigate the impact of changes in any one class.

20. COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020 is having a broad and negative impact on the commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Home is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on Home’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Home’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

21. Paycheck Protection Program

On April 5, 2020, the Home qualified for and received a loan pursuant to the Paycheck Protection Program (“PPP”), a program implemented by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of approximately $718,500 (the “PPP Loan”). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years and is unsecured and guaranteed by the SBA. The principal amount of the PPP Loan is subject to forgiveness under the PPP to the extent that the PPP Loan proceeds were used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Home. The Home used the entire PPP Loan for these qualifying expenses and applied for and received forgiveness during 2020. The entire PPP Loan was recognized as income in the current year as gain on extinguishment of PPP loan in the statement of activities.

On January 27, 2021, the Home qualified for and received a second loan pursuant to the PPP for an aggregate principal amount of approximately $718,500. Similar to above, the second loans and accrued interest are forgivable after a “covered period” of eight or twenty-four weeks as long as the Home maintains its payroll levels and uses the loan proceeds for eligible purposes. Any unforgiven portion of the PPP Loan is payable over five years at an interest rate of 1% with a deferral of payments for 10 months after the end of the covered period. The Home intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.