

**THE OMAHA HOME FOR BOYS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**  
**(WITH INDEPENDENT AUDITOR'S REPORT)**



**FrankelZacharia**<sup>LLC</sup>

---

Certified Public Accountants

**OMAHA HOME FOR BOYS**

**TABLE OF CONTENTS**

**DECEMBER 31, 2022 AND 2021**

---

	<u>Page</u>
Independent Auditor's Report	1 - 2
<u>Financial Statements</u>	
Statements of Financial Position	3
Statements of Activities and Changes of Net Assets	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 28

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Omaha Home for Boys

### **Opinion**

We have audited the accompanying financial statements of The Omaha Home for Boys (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and its 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 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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' ability to continue as a going concern within one year after the date that the 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 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, including omissions, 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 financial statements.

To the Board of Directors of  
The Omaha Home for Boys  
Page 2

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 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 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' 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 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' 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.

FRANKEL ZACHARIA LLC

Omaha, Nebraska  
April 18, 2023

**THE OMAHA HOME FOR BOYS**

**STATEMENTS OF FINANCIAL POSITION**

<b>DECEMBER 31</b>	<b>2022</b>	<b>RESTATED 2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,641,765	1,851,519
Accounts receivable	276,442	305,503
Other receivables	70,347	70,745
Prepaid expenses and other assets	283,170	176,171
Contributions and grants receivable	224,515	111,165
Investments	59,597,739	68,121,668
Beneficial interest in trusts	4,409,102	5,636,699
Land, buildings, and equipment, net	17,751,710	18,622,178
<b>TOTAL ASSETS</b>	<b>\$ 84,254,790</b>	<b>94,895,648</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 152,105	184,443
Accrued payroll and employee benefits	279,596	391,019
Other liabilities	433,008	202,724
Deferred revenue	749,300	759,980
Accrued retirement plan contribution	216,163	586,069
<b>Total liabilities</b>	<b>1,830,172</b>	<b>2,124,235</b>
<b>Net Assets</b>		
Without donor restrictions	74,571,066	83,666,863
With donor restrictions	7,853,552	9,104,550
<b>Total net assets</b>	<b>82,424,618</b>	<b>92,771,413</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 84,254,790</b>	<b>94,895,648</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
Contributions - general	\$ 3,058,433	570,608	3,629,041
Contributions - program service	1,209,745	-	1,209,745
Net investment income	-	-	-
Net earnings in beneficial interest in trusts	-	-	-
Rental income	265,769	-	265,769
Other	7,402	-	7,402
Actuarial gain on accrued retirement plan contribution	268,070	-	268,070
Gain on forgiveness of PPP loan	-	-	-
<b>Total revenues and gains</b>	<b>4,809,419</b>	<b>570,608</b>	<b>5,380,027</b>
<b>Functional expenses</b>			
<b>Program services:</b>			
Residential living	2,781,263	-	2,781,263
Self-sufficiency services	1,781,710	-	1,781,710
Clinical services	1,764,194	-	1,764,194
<b>Total program services</b>	<b>6,327,167</b>	<b>-</b>	<b>6,327,167</b>
<b>Supporting services</b>			
Management and general	1,202,951	-	1,202,951
Fundraising	1,432,284	-	1,432,284
<b>Total supporting services</b>	<b>2,635,235</b>	<b>-</b>	<b>2,635,235</b>
<b>Total functional expenses</b>	<b>8,962,402</b>	<b>-</b>	<b>8,962,402</b>
Net investment loss	5,469,700	212,382	5,682,082
Net loss in beneficial interest in trusts	-	1,082,338	1,082,338
<b>Total expenses and losses</b>	<b>14,432,102</b>	<b>1,294,720</b>	<b>15,726,822</b>
<b>Reclassifications of net assets:</b>			
Expiration of time or purpose restrictions	526,886	(526,886)	-
<b>DECREASE IN NET ASSETS</b>	<b>(9,095,797)</b>	<b>(1,250,998)</b>	<b>(10,346,795)</b>
Net assets at beginning of year	83,666,863	9,104,550	92,771,413
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 74,571,066</b>	<b>7,853,552</b>	<b>82,424,618</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2021 - AS RESTATED**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
Contributions - general	\$ 3,844,306	332,392	4,176,698
Contributions - program service	1,336,022	-	1,336,022
Net investment income	7,236,325	281,615	7,517,940
Net earnings in beneficial interest in trusts	-	522,951	522,951
Rental income	306,832	-	306,832
Other	28,348	-	28,348
Actuarial gain on accrued retirement plan contribution	327,135	-	327,135
Gain on forgiveness of PPP loan	718,538	-	718,538
<b>Total revenues and gains</b>	<b>13,797,506</b>	<b>1,136,958</b>	<b>14,934,464</b>
<b>Functional expenses</b>			
<b>Program services:</b>			
Residential living	3,292,867	-	3,292,867
Self-sufficiency services	1,827,663	-	1,827,663
Clinical services	1,769,073	-	1,769,073
<b>Total program services</b>	<b>6,889,603</b>	<b>-</b>	<b>6,889,603</b>
<b>Supporting services</b>			
Management and general	1,324,369	-	1,324,369
Fundraising	1,296,252	-	1,296,252
<b>Total supporting services</b>	<b>2,620,621</b>	<b>-</b>	<b>2,620,621</b>
<b>Total functional expenses</b>	<b>9,510,224</b>	<b>-</b>	<b>9,510,224</b>
Net investment loss	-	-	-
Net loss in beneficial interest in trusts	-	-	-
<b>Total expenses and losses</b>	<b>9,510,224</b>	<b>-</b>	<b>9,510,224</b>
<b>Reclassifications of net assets:</b>			
Expiration of time or purpose restrictions	869,174	(869,174)	-
<b>INCREASE IN NET ASSETS</b>	<b>\$ 5,156,456</b>	<b>267,784</b>	<b>5,424,240</b>
Net assets at beginning of year as previously reported	\$ 78,510,407	6,755,846	85,266,253
Restatement for beneficial interests	-	2,080,920	2,080,920
Net assets at beginning of year as restated	78,510,407	8,836,766	87,347,173
Increase in net assets	5,156,456	267,784	5,424,240
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 83,666,863</b>	<b>9,104,550</b>	<b>92,771,413</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Residential Living	Self-Sufficiency Services	Clinical Services	Total Program Services	Management & General	Fundraising	Total Expenses
Salaries	\$ 1,300,593	920,634	922,997	3,144,224	449,511	426,738	4,020,473
Employee benefits	253,774	189,462	133,190	576,426	99,933	88,249	764,608
Payroll taxes	94,382	66,664	66,884	227,930	31,895	28,503	288,328
<b>Total salaries and related expenses</b>	<b>1,648,749</b>	<b>1,176,760</b>	<b>1,123,071</b>	<b>3,948,580</b>	<b>581,339</b>	<b>543,490</b>	<b>5,073,409</b>
Depreciation	404,963	180,018	187,955	772,936	274,759	16,944	1,064,639
Equipment and maintenance	215,754	101,377	118,887	436,018	62,985	16,963	515,966
Insurance	78,207	36,095	62,164	176,466	10,026	14,037	200,529
Miscellaneous	16,613	10,545	15,529	42,687	98,586	134,618	275,891
Occupancy	186,077	97,423	103,801	387,301	78,809	1,904	468,014
Postage	-	-	19	19	150	198,125	198,294
Professional development	5,286	3,676	4,516	13,478	5,254	1,035	19,767
Professional fees and contract services	41,100	11,139	46,205	98,444	72,684	55,865	226,993
Promotion and printing	15,938	7,875	12,345	36,158	5,093	429,585	470,836
Supplies	13,709	5,568	13,510	32,787	3,051	17,973	53,811
Travel and transportation	8,605	5,720	3,207	17,532	10,215	1,745	29,492
Youth direct care	146,262	145,514	72,985	364,761	-	-	364,761
<b>Total expenses</b>	<b>\$ 2,781,263</b>	<b>1,781,710</b>	<b>1,764,194</b>	<b>6,327,167</b>	<b>1,202,951</b>	<b>1,432,284</b>	<b>8,962,402</b>

See accompanying notes to financial statements.



**THE OMAHA HOME FOR BOYS**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2021 - AS RESTATED**

	Residential Group Home	Self-Sufficiency Services	Clinical Services	Total Program Services	Management & General	Fundraising	Total Expenses
Salaries	\$ 1,572,698	925,695	931,144	3,429,537	423,873	389,412	4,242,822
Employee benefits	384,912	239,134	167,653	791,699	125,126	85,752	1,002,577
Payroll taxes	114,742	67,367	69,417	251,526	30,271	28,283	310,080
<b>Total salaries and related expenses</b>	<b>2,072,352</b>	<b>1,232,196</b>	<b>1,168,214</b>	<b>4,472,762</b>	<b>579,270</b>	<b>503,447</b>	<b>5,555,479</b>
Depreciation	411,993	179,838	186,812	778,643	273,629	17,413	1,069,685
Equipment and maintenance	268,229	90,933	115,953	475,115	80,394	16,834	572,343
Insurance	78,268	36,124	62,213	176,605	10,035	14,048	200,688
Miscellaneous	17,830	11,701	15,473	45,004	87,095	77,381	209,480
Occupancy	170,736	85,740	95,128	351,604	70,569	1,632	423,805
Postage	81	-	-	81	411	208,357	208,849
Professional development	10,409	2,335	5,318	18,062	6,960	6,241	31,263
Professional fees and contract services	49,853	10,059	37,279	97,191	198,361	20,613	316,165
Promotion and printing	51,905	4,746	4,746	61,397	9,492	411,733	482,622
Supplies	12,910	7,488	12,821	33,219	3,240	17,760	54,219
Travel and transportation	5,979	5,642	3,428	15,049	4,913	793	20,755
Youth direct care	142,322	160,861	61,688	364,871	-	-	364,871
<b>Total expenses</b>	<b>\$ 3,292,867</b>	<b>1,827,663</b>	<b>1,769,073</b>	<b>6,889,603</b>	<b>1,324,369</b>	<b>1,296,252</b>	<b>9,510,224</b>

See accompanying notes to financial statements.

**THE OMAHA HOME FOR BOYS****STATEMENTS OF CASH FLOWS**

<b>FOR THE YEAR ENDED DECEMBER 31</b>	<b>2022</b>	<b>RESTATED 2021</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (10,346,795)	5,424,240
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,064,639	1,069,685
Net realized and unrealized loss (gains) on investments	7,197,012	(5,699,396)
Net change in beneficial interest in trusts	1,227,597	(393,410)
Gain on forgiveness of PPP loan	-	(718,538)
Changes in:		
Accounts receivable	29,061	49,830
Other receivables	398	(2,626)
Prepaid expenses and other assets	(106,999)	2,115
Contributions and grants receivable	(113,350)	337,351
Accounts payable	(32,338)	(49,425)
Accrued payroll and employee benefits	(111,423)	68,254
Other liabilities	131,308	(1,683)
Deferred revenue	(10,680)	(10,680)
Accrued retirement plan contribution	(369,906)	(407,121)
<b>Net cash used by operating activities</b>	<b>(1,441,476)</b>	<b>(331,404)</b>
<b>Cash flows from investing activities:</b>		
Purchases of land, buildings and equipment	(95,195)	(120,335)
Purchases of investments	(3,591,157)	(5,160,593)
Proceeds from sale of investments	4,918,074	5,548,251
<b>Net cash provided by investing activities</b>	<b>1,231,722</b>	<b>267,323</b>
<b>Cash flows from financing activities:</b>		
Proceeds from PPP loan	-	718,538
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(209,754)</b>	<b>654,457</b>
Cash and cash equivalents, beginning of year	1,851,519	1,197,062
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,641,765</b>	<b>1,851,519</b>

See accompanying notes to financial statements.

# OMAHA HOME FOR BOYS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

### 1. Description of Organization

The Omaha Home for Boys (“OHB”) is a nonprofit organization serving youth and their families. OHB provides a true continuum of care to help youth, young adults and families overcome obstacles in order 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 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 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, 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. Any gender and ages 12 to 18.

# OMAHA HOME FOR BOYS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

### 1. Description of Organization – Continued

Founded in 1920, OHB is a leader and pioneer in the community-based services to youth and their families. Each year, OHB cares for over 400 young men and women ages 14 to 26.

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

OHB 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 OHB 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, OHB's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. OHB'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 OHB, 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. 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.

## OMAHA HOME FOR BOYS

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

#### 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 OHB'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 OHB 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.

# OMAHA HOME FOR BOYS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

### 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 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
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 years ended December 31, 2022 and 2021, 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.

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.

# OMAHA HOME FOR BOYS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

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

#### 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 2022 or 2021, respectively.

#### 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 OHB'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 OHB. 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.

#### Tax Status

OHB 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). OHB is organized under Section 21 of the Nebraska Non-profit Corporation Act. Contributions to OHB are tax deductible to donors under Section 170 of the IRC. OHB is not 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 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.

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

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

Compensated Absences

OHB recognizes employees' vacation benefits in the period earned.

Subsequent Events

Management evaluated transactions and events occurring subsequent to December 31, 2022, and through April 18, 2023, 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.

Reclassifications

Reclassifications have been made to 2021 balances to conform to the current year presentation. There were no resulting changes to the change in net assets as a result of these reclassifications.

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,641,765	1,851,519
Accounts receivable	276,442	305,503
Other receivables	70,347	70,745
Contributions and grants receivable	<u>224,515</u>	<u>111,165</u>
Total financial assets as of year end	2,213,069	2,338,932
Estimated appropriation from endowment for general expenditure in subsequent year	<u>3,204,000</u>	<u>2,903,000</u>
Total financial assets available to meet general expenditures as of year end	<u>\$ 5,417,069</u>	<u>5,241,932</u>

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 \$56 million and \$65 million as of December 31, 2022 and 2021, 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.



# OMAHA HOME FOR BOYS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

### 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:

	2022	2021
	<u>Fair Value</u>	<u>Fair Value</u>
Money market funds	\$ 1,912,362	3,847,833
Mutual funds:		
Domestic equity	6,954,956	3,612,471
Domestic alternative equity	3,529,818	6,979,512
International equity	4,662,863	8,192,912
Government obligations	3,571,000	927,075
Corporate obligations	6,660,531	9,511,440
Fixed income	2,766,383	2,591,667
Domestic equities:		
Financial services	3,859,105	4,951,000
Energy	3,592,755	2,763,294
Consumer cyclical	3,376,748	3,261,797
Other	9,182,110	10,009,753
International equities	5,103,796	6,694,826
Alternative investments	1,611,403	1,682,913
Real asset funds	2,813,909	3,095,175
	<u>\$ 59,597,739</u>	<u>68,121,668</u>

**OMAHA HOME FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

---

**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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

6. Fair Value Measurements – Continued

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

	2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,912,362	--	--	1,912,362
Mutual funds:				
Domestic equity	6,954,956	--	--	6,954,956
Domestic alternative equity	3,529,818	--	--	3,529,818
International equity	4,662,863	--	--	4,662,863
Government obligations	3,571,000	--	--	3,571,000
Corporate obligations	6,660,531	--	--	6,660,531
Fixed income	2,766,383	--	--	2,766,383
Domestic equities:				
Financial Services	3,859,105	--	--	3,859,105
Energy	3,592,755	--	--	3,592,755
Consumer cyclical	3,376,748	--	--	3,376,748
Other	9,182,110	--	--	9,182,110
International equities	5,103,796	--	--	5,103,796
Real asset funds	<u>778,899</u>	--	--	<u>778,899</u>
	<u>\$ 55,951,326</u>	--	--	<u>55,951,326</u>
Investments measured at net asset value (NAV) (1)				<u>3,646,413</u>
				<u>\$ 59,597,739</u>

	2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 3,847,833	--	--	3,847,833
Mutual funds:				
Domestic equity	3,612,471	--	--	3,612,471
Domestic alternative equity	6,979,512	--	--	6,979,512
International equity	8,192,912	--	--	8,192,912
Government obligations	927,075	--	--	927,075
Corporate obligations	9,511,440	--	--	9,511,440
Fixed income	2,591,667	--	--	2,591,667
Domestic equities:				
Financial Services	4,951,000	--	--	4,951,000
Healthcare	3,210,783	--	--	3,210,783
Other	12,824,061	--	--	12,824,061
International equities	6,694,826	--	--	6,694,826
Real asset funds	<u>1,148,837</u>	--	--	<u>1,148,837</u>
	<u>\$ 64,492,417</u>	--	--	<u>64,492,417</u>
Investments measured at net asset value (NAV) (1)				<u>3,629,251</u>
				<u>\$ 68,121,668</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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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:

	2022			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments				
Private Capital (a)	\$ 1,611,403	59,500	Various	Various
Real asset funds				
Private Real Estate (b)	<u>2,035,010</u>	<u>250,652</u>	Various	Various
	<u>\$ 3,646,413</u>	<u>310,152</u>		
	2021			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments				
Private Capital (a)	\$ 1,682,913	98,650	Various	Various
Real asset funds				
Private Real Estate (b)	<u>1,946,338</u>	<u>251,047</u>	Various	Various
	<u>\$ 3,629,251</u>	<u>349,697</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.

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

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

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

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 268,563	268,563
Buildings and improvements	40,401,469	40,320,954
Furniture and equipment	1,140,076	1,514,659
Vehicles	472,486	444,209
Intangibles	<u>26,830</u>	<u>20,000</u>
	42,309,424	42,568,385
Less accumulated depreciation	<u>24,557,714</u>	<u>23,946,207</u>
Total land, buildings, and equipment	<u>\$ 17,751,710</u>	<u>18,622,178</u>

8. **Accounting for Endowments**

OHB'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**

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

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

8. Accounting for Endowments – Continued

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

	2022		
	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	--	1,382,427	1,382,427
Board-designated endowment funds	<u>56,372,186</u>	<u>--</u>	<u>56,372,186</u>
	<u>\$ 56,372,186</u>	<u>3,225,554</u>	<u>59,597,740</u>
	2021		
	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	--	1,392,425	1,392,425
Board-designated endowment funds	<u>64,886,116</u>	<u>--</u>	<u>64,886,116</u>
	<u>\$ 64,886,116</u>	<u>3,235,552</u>	<u>68,121,668</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, 2022 and 2021, the Board approved a 5.0% 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.

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

**8. Accounting for Endowments – Continued**

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%

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. Deficiencies of this nature exist in 11 donor-restricted endowment funds, which together have an original gift value of \$1,358,889, a current fair value of \$1,233,989, and a deficiency of \$124,900 as of December 31, 2022. 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.

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

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>Restricted by Donor</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, December 31, 2021	64,886,116	3,235,552	68,121,668
Contributions	--	234,550	234,550
Investment return, net	(5,473,812)	(212,382)	(5,686,194)
Amounts appropriated	<u>(3,040,118)</u>	<u>(32,166)</u>	<u>(3,072,284)</u>
Endowment net assets, December 31, 2022	<u>\$ 56,372,186</u>	<u>3,225,554</u>	<u>59,597,740</u>
	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>Restricted by Donor</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, December 31, 2020	\$ 59,739,746	3,070,185	62,809,931
Contributions	1,141,613	122,392	1,264,005
Investment return, net	7,231,689	281,614	7,513,303
Amounts appropriated	<u>(3,226,932)</u>	<u>(238,639)</u>	<u>(3,465,571)</u>
Endowment net assets, December 31, 2021	<u>\$ 64,886,116</u>	<u>3,235,552</u>	<u>68,121,668</u>

## OMAHA HOME FOR BOYS

### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2022 AND 2021**

---

#### **9. Self-Insured Health Insurance**

OHB has a self-insurance program, with a specific individual stop-loss policy limit of \$25,000 and an aggregate stop-loss limit of approximately \$782,000, 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, 2022 and 2021, the estimated liability related to this program was approximately \$22,000 and \$146,000, respectively.

#### **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, 2022 and 2021 was \$749,300 and \$759,980, 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, 2022.

2023	\$ 178,077
------	------------

#### **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 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.



OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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

During 2007, OHB 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, 2022 and 2021, the items not yet recognized as a component of net periodic pension postretirement benefit are as follows:

	<u>2022</u>	<u>2021</u>
Net actuarial gain (loss)	\$ 268,070	327,135

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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Change in projected benefit obligation:		
Projected benefit obligation, beginning of year	\$ 4,283,627	4,643,401
Interest cost	113,200	101,655
Actuarial loss/(gain)	(996,072)	(257,697)
Benefits and expenses paid	<u>(214,465)</u>	<u>(203,732)</u>
Projected benefit obligation, end of year	<u>\$ 3,186,290</u>	<u>4,283,627</u>
Change in plan assets:		
Plan assets at fair value, beginning of year	\$ 3,697,558	3,650,211
Actual return	(512,966)	251,079
Employer contributions	--	--
Benefits and expenses paid	<u>(214,465)</u>	<u>(203,732)</u>
Plan assets at fair value, end of year	<u>\$ 2,970,127</u>	<u>3,697,558</u>
Funded status at end of year	<u>\$ (216,163)</u>	<u>(586,069)</u>
Amounts recognized in the statement of financial position:		
Accrued retirement plan contribution	<u>\$ (216,163)</u>	<u>(586,069)</u>
Components of net periodic pension cost:		
Interest cost	\$ 113,200	101,655
Expected return on plan assets	(215,036)	(212,248)
Amortization of unrecognized net obligation at transition	--	30,607
Net periodic pension cost	<u>\$ (101,836)</u>	<u>\$ (79,986)</u>

Average assumptions used at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	
	Benefit Obligation	Net Periodic Expense
Discount rate	5.25%	2.75%
Salary scale	N/A	N/A
Return on assets	6.00%	6.00%

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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

	2021	
	Benefit Obligation	Net Periodic Expense
Discount rate	2.75%	2.25%
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 OHB or related parties. Plan assets consisted of the following at December 31:

	2022	
	Fair Value	Percentage of Total
Cash	\$ 27,404	0.90%
Pooled, Common & Collective Funds	--	0.00%
Mutual funds	2,942,723	99.10%
Accrued items	--	0.00%
	<u>\$ 2,970,127</u>	<u>100.00%</u>

	2021	
	Fair Value	Percentage of Total
Cash	\$ 108,814	2.90%
Pooled, Common & Collective Funds	2,856,709	77.30%
Mutual funds	732,035	19.80%
Accrued items	--	0.00%
	<u>\$ 3,697,558</u>	<u>100.00%</u>

During the periods ending December 31, 2022 and 2021, OHB made no contributions to the plan and expects to make no contributions to the plan in fiscal year 2023. OHB paid benefits and expenses of \$214,465 and \$203,732 for the periods ended December 31, 2022 and 2021. The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid are:

Fiscal Year Ended	Amount
2023	\$ 255,289
2024	249,203
2025	245,911
2026	242,167
2027	236,190
2028-2032	1,118,334

## OMAHA HOME FOR BOYS

### NOTES TO FINANCIAL STATEMENTS

#### DECEMBER 31, 2022 AND 2021

---

#### 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 periods ended December 31, 2022 and 2021 was \$103,223 and \$139,521, respectively.

#### 13. Net Assets with Donor Restrictions

Net assets restricted by the donor are as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for a specific purpose:		
Subject to OHB's spending policy and appropriation	\$ 2,217,028	3,169,217
Specific operations:		
Jacobs' Place and Branching Out	157,420	86,518
Crisis Stabilization	22,308	--
Other	179,045	83,129
Scholarships	3,031,257	3,519,192
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>\$ 7,853,552</u>	<u>9,104,550</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>2022</u>	<u>2021</u>
Appropriations for general operations	\$ 113,238	270,604
Specific operations:		
Jacobs' Place and Branching Out	116,750	130,000
Crisis Stabilization	2,692	358,060
Other	262,040	37,500
Scholarships	32,166	73,010
	<u>\$ 526,886</u>	<u>869,174</u>

## OMAHA HOME FOR BOYS

### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2022 AND 2021**

---

#### **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, 2022 and 2021, 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. Approximately 79% of the contributions and grants receivable were from one contributor as of December 31, 2022.

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. Paycheck Protection Program**

On January 27, 2021, OHB qualified for and received a second 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 \$718,538. OHB used the entire PPP Loan for qualifying expenses and applied for and received forgiveness during 2021. The entire PPP Loan was recognized as income in 2021 as gain on extinguishment of PPP loan in the statement of activities.

OMAHA HOME FOR BOYS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

---

**17. Prior Period Restatement**

During the year ended December 31, 2022, the OHB determined they were the recipient of additional beneficial interests in trust not previously reflected in the financial statements. As a result, the financial statements for the year ended December 31, 2021 were restated to reflect the proper net assets with donor restrictions and activity for the year ended December 31, 2021 as follows:

	As Originally Reported	Adjustment	Balance as Restated
<b>Statement of Financial Position</b>			
<b>December 31, 2021</b>			
Beneficial interest in trusts	\$ 3,361,062	2,275,637	5,636,699
<b>TOTAL ASSETS</b>	<b><u>\$ 92,620,011</u></b>	<b><u>2,275,637</u></b>	<b><u>94,895,648</u></b>
Net Assets			
Net assets without donor restrictions	83,617,329	49,534	83,666,863
Net assets with donor restrictions	<u>6,878,447</u>	<u>2,226,103</u>	<u>9,104,550</u>
<b>Total net assets</b>	<b><u>90,495,776</u></b>	<b><u>2,275,637</u></b>	<b><u>92,771,413</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 92,620,011</u></b>	<b><u>2,275,637</u></b>	<b><u>94,895,648</u></b>
<b>Statement of Activities</b>			
<b>Year ending December 31, 2021</b>			
Without donor restrictions			
Expiration of time or purpose restrictions	\$ 819,640	49,534	869,174
Increase in net assets	5,106,922	49,534	5,156,456
Net assets without donor restriction, end of year	83,617,329	49,534	83,666,863
With donor restrictions			
Expiration of time or purpose restrictions	(819,640)	(49,534)	(869,174)
Increase in net assets	122,601	145,183	267,784
Net assets with donor restriction, beginning of year	6,755,846	2,080,920	8,836,766
<b>Statement of Cash Flows</b>			
<b>Year ending December 31, 2021</b>			
Cash flows from operating activities			
Change in net assets	\$ 5,229,523	194,717	5,424,240
Net change in beneficial interest in trusts	(198,693)	(194,717)	(393,410)

**OMAHA HOME FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

---

**18. Adoption of New Lease Accounting Standard**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02 Leases (Topic 842), as amended and clarified. Under this standard, operating and finance leases with a lease term of more than 12 months are to be recorded in the balance sheet as right-of-use assets with offsetting lease liabilities based on the present value of future lease payments. The standard also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The adoption of the standard did not have a material effect on the financial statements.