Consolidated Financial Statements
December 31, 2023 and 2022

Girls Incorporated of Omaha and Subsidiaries

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Independent Auditor's Report

To the Board of Directors of
Girls Incorporated of Omaha and Subsidiaries
Omaha, Nebraska:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Girls Incorporated of Omaha and Subsidiaries (collectively, "the Organization") which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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 for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Omaha, Nebraska
August 28, 2024

	2023	2022
Assets		
Cash and cash equivalents	$ 585,108	$ 1,465,483
Receivables -		
Contribution and grant	1,158,830	806,523
Other	430,615	-
Prepaid expenses and other assets	21,153	13,330
Restricted cash	334,919	119,212
Investments	16,486,822	14,486,582
Property and equipment, net	15,070,745	15,493,884
Total assets	$ 34,088,192	$ 32,385,014
Liabilities and Net Assets		
Accounts payable	$ 82,081	$ 116,542
Accrued expenses	139,922	167,267
Agency funds	19,445	19,480
Total liabilities	241,448	303,289
Net Assets		
Without donor restrictions	25,829,638	24,677,356
With donor restrictions	8,017,106	7,404,369
Total net assets	33,846,744	32,081,725
Total liabilities and net assets	$ 34,088,192	$ 32,385,014

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions and grants	$ 1,408,250	$ 1,922,741	$ 3,330,991
United Way funding	100,000	150,000	250,000
Special events revenue	374,728	-	374,728
Less: Cost of direct benefits to donors	(123,720)	-	(123,720)
Net special events revenue	251,008	-	251,008
Membership dues	11,374	-	11,374
Program revenue	35,724	-	35,724
Other income	448,734	-	448,734
Net assets released from restrictions	2,335,432	(2,335,432)	-
Total revenue, support, and gains	4,590,522	(262,691)	4,327,831
Expenses			
Program services	4,081,750	-	4,081,750
Supporting services			
Management	853,644	-	853,644
Fundraising	217,339	-	217,339
Unallocated payments to Girls Inc. National	12,000	-	12,000
Total expenses	5,164,733	-	5,164,733
Change in Net Assets from Operations	(574,211)	(262,691)	(836,902)
Investment Return, Net	1,726,493	875,428	2,601,921
Change in Net Assets	1,152,282	612,737	1,765,019
Net Assets, Beginning of Year	24,677,356	7,404,369	32,081,725
Net Assets, End of Year	$ 25,829,638	$ 8,017,106	$ 33,846,744

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions and grants	$ 802,586	$ 1,465,372	$ 2,267,958
United Way funding	150,000	150,000	300,000
In-kind contributions	21,555	-	21,555
Special events revenue	288,913	-	288,913
Less: Cost of direct benefits to donors	(66,261)	-	(66,261)
Net special events revenue	222,652	-	222,652
Membership dues	18,075	-	18,075
Program revenue	37,718	-	37,718
Rental revenue	365	-	365
Other income	10,960	-	10,960
Net assets released from restrictions	2,417,104	(2,417,104)	-
Total revenue, support, and gains	3,681,015	(801,732)	2,879,283
Expenses			
Program services	4,051,579	-	4,051,579
Supporting services			
Management	600,608	-	600,608
Fundraising	227,599	-	227,599
Unallocated payments to Girls Inc. National	12,000	-	12,000
Total expenses	4,891,786	-	4,891,786
Change in Net Assets from Operations	(1,210,771)	(801,732)	(2,012,503)
Investment Return, Net	(1,470,287)	(1,029,491)	(2,499,778)
Change in Net Assets	(2,681,058)	(1,831,223)	(4,512,281)
Net Assets, Beginning of Year	27,358,414	9,235,592	36,594,006
Net Assets, End of Year	$ 24,677,356	$ 7,404,369	$ 32,081,725

	2023	2022
Operating Activities		
Change in net assets	$ 1,765,019	$ (4,512,281)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	721,709	762,696
Net (appreciation) depreciation on investments	(2,311,470)	2,877,475
Contributions restricted for a long-term purpose	(203,500)	(92,707)
Changes in assets and liabilities		
Receivables -		
Contribution and grant	(352,307)	381,036
Other	(430,615)	-
Prepaid expenses and other assets	(7,823)	1,858
Accounts payable	(34,461)	64,122
Accrued expenses	(27,345)	16,516
Agency funds	(35)	1,834
Net Cash used for Operating Activities	(880,828)	(499,451)
Investing Activities		
Purchases of investments	(720,133)	(855,282)
Proceeds from sales of investments	1,031,363	849,589
Purchases of property and equipment	(298,570)	(115,107)
Net Cash from (used for) Investing Activities	12,660	(120,800)
Financing Activities		
Proceeds from contributions restricted for long-term purposes		
Capital	200,000	89,207
Endowment	3,500	3,500
Net Cash from Financing Activities	203,500	92,707
Net Change in Cash, Cash Equivalents, and Restricted Cash	(664,668)	(527,544)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	1,584,695	2,112,239
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 920,027	$ 1,584,695
Reconciliation of cash, cash equivalents, and restricted cash to statements of financial position		
Cash and cash equivalents	$ 585,108	$ 1,465,483
Restricted cash	334,919	119,212
Total cash, cash equivalents, and restricted cash	$ 920,027	$ 1,584,695

Girls Incorporated of Omaha and Subsidiaries

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services					Supporting Services		
	Education Programs	Health & Wellness	Life Skills	Center Activities	Total	Management	Fundraising	Total
Salaries	$ 936,615	$ 450,766	$ 331,710	$ 101,786	$ 1,820,877	$ 334,768	$ 73,482	$ 2,229,127
Employee health and retirement benefits	84,083	49,633	19,190	14,150	167,056	63,187	10,784	241,027
Payroll taxes	67,741	30,166	23,751	7,535	129,193	26,360	5,424	160,977
Total salaries and related expenses	1,088,439	530,565	374,651	123,471	2,117,126	424,315	89,690	2,631,131
Depreciation	302,661	233,460	155,707	-	691,828	22,406	7,475	721,709
Occupancy and maintenance	226,978	165,715	183,534	311	576,538	32,270	7,025	615,833
Professional fees	10,702	8,810	60,184	576	80,272	181,262	90,342	351,876
Supplies	62,739	27,788	11,952	11,162	113,641	55,076	754	169,471
Activities	36,280	11,985	73,692	31,938	153,895	181	-	154,076
Travel and transportation	37,240	16,208	15,795	4,121	73,364	61,479	51	134,894
Insurance	49,219	35,813	35,754	-	120,786	12,983	145	133,914
Scholarships	-	-	81,960	-	81,960	-	-	81,960
Meals and snacks	6,871	43,204	1,121	17,381	68,577	1,065	-	69,642
Printing and postage	732	303	328	34	1,397	19,619	2,077	23,093
Taxes and other fees	-	-	175	-	175	17,753	-	17,928
Miscellaneous	-	25	-	-	25	12,643	5,000	17,668
Special events	-	-	-	-	-	-	14,104	14,104
Professional development and subscriptions	1,468	395	303	-	2,166	11,015	-	13,181
Advertising and public relations	-	-	-	-	-	1,577	676	2,253
Total allocated expenses	$ 1,823,329	$ 1,074,271	$ 995,156	$ 188,994	$ 4,081,750	$ 853,644	$ 217,339	5,152,733
Unallocated payments to Girls Inc. National								12,000
Total expenses								$ 5,164,733

See Notes to Consolidated Financial Statements

	Program Services					Supporting Services		
	Education Programs	Health & Wellness	Life Skills	Center Activities	Total	Management	Fundraising	Total
Salaries	$ 731,403	$ 454,375	$ 339,327	$ 111,645	$ 1,636,750	$ 300,991	$ 77,165	$ 2,014,906
Employee health and retirement benefits	73,455	51,229	25,431	12,160	162,275	35,590	8,577	206,442
Payroll taxes	52,793	31,443	21,449	8,172	113,857	21,683	5,548	141,088
Total salaries and related expenses	857,651	537,047	386,207	131,977	1,912,882	358,264	91,290	2,362,436
Depreciation	327,959	244,063	160,166	-	732,188	22,881	7,627	762,696
Occupancy and maintenance	221,044	168,961	177,598	1,462	569,065	24,249	4,450	597,764
Professional fees	19,096	12,738	14,361	645	46,840	121,937	85,630	254,407
Supplies	75,602	33,642	22,606	22,111	153,961	27,193	154	181,308
Activities	99,378	23,275	43,435	20,410	186,498	-	-	186,498
Travel and transportation	86,467	37,781	36,626	3,369	164,243	404	272	164,919
Insurance	48,928	34,593	25,173	-	108,694	6,779	1,097	116,570
Scholarships	1,713	-	86,297	-	88,010	-	-	88,010
Meals and snacks	6,328	46,736	2,956	26,122	82,142	1,818	95	84,055
Printing and postage	145	7	5	1,041	1,198	12,219	7,213	20,630
Taxes and other fees	37	-	170	-	207	12,145	187	12,539
Miscellaneous	447	4	146	224	821	2,005	-	2,826
Special events	-	-	-	-	-	-	29,419	29,419
Professional development and subscriptions	3,304	544	557	-	4,405	10,594	165	15,164
Advertising and public relations	405	-	20	-	425	120	-	545
Total allocated expenses	$ 1,748,504	$ 1,139,391	$ 956,323	$ 207,361	$ 4,051,579	$ 600,608	$ 227,599	4,879,786
Unallocated payments to Girls Inc. National								12,000
Total expenses								$ 4,891,786

See Notes to Consolidated Financial Statements

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Girls Incorporated of Omaha (Girls Inc.) serves girls of ages 5 through 18, and college students, with various gender specific programs designed to provide the girls with activities and experiences which meet their needs to be Strong, Smart and Bold. Programs include health and wellness (Strong), education (Smart), life skills (Bold) and general activities at the center. Girls Inc. is supported primarily through major local donor contributions, grants, and the United Way.

Principles of Consolidation

In addition to Girls Inc., the consolidated financial statements include the accounts of Barker Avenue House, LLC and Protégé House, LLC because they are wholly owned subsidiaries of Girls Inc. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “the Organization.”

Basis of Accounting and Presentation

The Organization maintains its accounting records and prepares its consolidated financial statements (collectively, financial statements) on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements have been prepared in accordance with accounting standards for financial statements of not-for-profit organizations. Under these standards, net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, although they may be designated by action of the Board of Directors.

- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash, Cash Equivalents, and Restricted Cash

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash, cash equivalents, and restricted cash included in investments are excluded from this definition.

Contribution and Grant Receivables

The Organization records unconditional promises to give, including contribution and grant receivables, that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities.

Contributions and grants receivable are reviewed for collectability and a provision for uncollectible amounts is recognized based on management's judgment and an analysis of individual donors, past collection experience and other relevant factors. At December 31, 2023 and 2022, no allowance is recorded against contributions and grants receivable.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment

Property and equipment additions over $2,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 39 years
Furniture, fixtures and equipment	5 - 15 years
Vehicles	5 years
Website	5 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

Deferred Revenue for Special Events

The Organization receives sponsorships in advance of future special events. The sponsorship providers receive commensurate value in return or have a right of return if the event does not take place. This income is deferred and recognized over the periods to which the sponsorship relates. There were no deferred revenues as of December 31, 2023 and 2022.

Revenue Recognition

Contributions and Grants and United Way Funding

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Indications of intentions to give are not recognized until the cash or other assets are received. Contributions and grants and United Way funding are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Special Event Revenue – Sponsorships

The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Special Event Revenue – Ticket Sales

The portion of ticket sales that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 12). The Organization does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the year ended December 31, 2023.

The Organization also receives gifts-in-kind for use in various fundraising events. For situations in which the Organization is functioning as an agent or intermediary with respect to the gifts-in-kind, the Organization reports an asset and corresponding liability measured at the fair value at the earlier of the time the goods are promised or received from the resource provider, and until the Organization remits the gifts-in-kind to the ultimate beneficiary.

Advertising Costs

Advertising costs are expensed as incurred and amounted to $2,253 and $545 for the years ended December 31, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated by an estimate of time spent include salaries, employee health and retirement benefits, and payroll taxes. Overhead costs are allocated using an estimate of square footage. Overhead costs include depreciation, occupancy and maintenance, insurance, and supplies.

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Internal Revenue Service has established standards to be met to maintain the Organization’s tax exempt status.

Barker Avenue House, LLC and Protégé House, LLC are single member limited liability companies that have elected to be treated as disregarded entities. As such, the companies are not subject to federal income tax, but rather, their income or loss is allocated to the Organization.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Subsequent Events

The Organization has evaluated subsequent events through August 28, 2024, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	$ 585,108	$ 1,465,483
Receivables -		
Contribution and grant	1,158,830	806,523
Other	430,615	-
Restricted cash	334,919	119,212
Investments	16,486,822	14,486,582
Total financial assets	18,996,294	16,877,800
Less amounts not available to be used for general expenditure		
Agency funds	19,445	19,480
Board designated endowment funds	7,547,758	6,586,328
Net assets with donor restrictions	8,017,106	7,404,369
Less net assets with time restrictions for next year	(965,000)	(360,000)
Amounts not available to be used for general expenditure	14,619,309	13,650,177
Financial assets available to meet general expenditures over the next twelve months	$ 4,376,985	$ 3,227,623

The Organization maintains cash and cash equivalents on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and liquid financial assets on hand are adjusted as necessary. As part of its liquidity management, donor-restricted cash for capital projects and scholarships are held in separate checking accounts. The Organization invests cash in excess of daily requirements in various marketable securities, which are included as investments in the consolidated statements of financial position.

The Organization also maintains endowment funds which are primarily held in investment accounts. The Organization has board designated endowment funds for operations that could be made available to meet unexpected liquidity needs, if needed. Such funds amounted to $3,450,009 and $3,335,261 as of December 31, 2023 and 2022, respectively. Donor-restricted endowment funds are not available for general expenditure.

Note 3 - Contribution and Grant Receivables

A summary of contribution and grant receivables at December 31, 2023 and 2022, is as follows:

	2023	2022
Future operations	$ 915,000	$ 425,000
United Way funding for next year	150,000	150,000
Operations	68,257	9,523
Programs	25,573	175,450
Capital	-	46,550
Contributions and grants receivable	$ 1,158,830	$ 806,523
Amounts due in		
Less than one year	$ 958,830	$ 806,523
One to four years	200,000	-
Contributions and grants receivable	$ 1,158,830	$ 806,523

No discount was recognized for contributions and grants receivable as of December 31, 2023 and 2022, as management believes the exclusion of a discount does not have a material effect on the financial statements due to the majority of the amounts being due within one year.

Note 4 - Employee Retention Credit

During the year ended December 31, 2023, the Organization applied for and expects to receive approximately $431,000 in Employee Retention Credits under the American Recovery Plan Act of 2021. These funds are included in other income in the consolidated statement of activities for the year ended December 31, 2023. The Organization's credit filing remains open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Note 5 - Conditional Promises to Give

Conditional promises to give are not included as support until the conditions are met. In 2021, the Organization received a challenge grant for $450,000, dependent upon securing operating contributions in each of the following three fiscal years (2022 – 2024). During each of the years ended December 31, 2023 and 2022, the Organization recognized $150,000 of contribution revenue as the funding was secured and the conditions were met. There was no remaining conditional balance at December 31, 2023.

Note 6 - Fair Value Measurements

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value. For the years ended December 31, 2023 and 2022, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Money market funds – Funds are reported at fair value using quoted market prices.

Mutual funds – All mutual funds are traded on a national securities exchange and are valued at the net asset value of the underlying investments.

Common stock – Common stock is traded on a national securities exchange and is valued at the latest quoted market prices.

The following tables present the balances of investment securities measured at fair value on a recurring basis at December 31, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 276,646	$ -	$ -	$ 276,646
Mutual funds				
Domestic equity	8,813,505	-	-	8,813,505
International equity	1,699,275	-	-	1,699,275
Bonds	2,984,271	-	-	2,984,271
Common stock	2,713,125	-	-	2,713,125
Investments	$ 16,486,822	$ -	$ -	$ 16,486,822

	2022			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 159,686	$ -	$ -	$ 159,686
Mutual funds				
Domestic equity	7,605,711	-	-	7,605,711
International equity	1,580,637	-	-	1,580,637
Bonds	2,796,993	-	-	2,796,993
Common stock	2,343,555	-	-	2,343,555
Investments	$ 14,486,582	$ -	$ -	$ 14,486,582

Note 7 - Property and Equipment

Property and equipment consist of the following at December 31, 2023 and 2022:

	2023	2022
Land	$ 62,111	$ 62,111
Buildings and improvements	22,044,689	21,973,146
Furniture, fixtures and equipment	1,346,563	1,346,563
Vehicles	512,466	306,539
Website	25,217	25,217
Construction in progress	22,330	1,230
	24,013,376	23,714,806
Less accumulated depreciation	(8,942,631)	(8,220,922)
Property and equipment, net	$ 15,070,745	$ 15,493,884

Depreciation expense totaled $721,709 and $762,696 for the years ended December 31, 2023 and 2022, respectively.

Note 8 - Commitments and Contingencies

The Organization entered into a license agreement with a medical organization to operate the licensed health clinic. The license agreement is for a five year period which began on November 21, 2016, with automatic renewals of one year terms, unless the agreement is terminated according to the license provision. The Organization will provide utilities, maintenance, security, and appropriate insurance for the building. The license will provide certain other minimum insurance coverage. There is no rental fee established in the agreement.

The Organization has entered into contracts for fundraising and consulting services. Amounts paid under a contract for general services for the years ended December 31, 2022 through December 31, 2024 was approximately $75,000 and outstanding commitments at December 31, 2023 were $75,000 under this contract. Additionally, the Organization has a contract for a capital campaign wherein they will pay 1% of the total amount raised by the company through as well as $10,000 for the pre-launch phase of the campaign. Payments began in October 2022 and conclude in the year ending December 31, 2025. If the Organization delays the launch of the campaign to the year ending December 31, 2024, payments would begin in the year ending December 31, 2024 and conclude in the year ending December 31, 2026. Total payments made for this contract in the years ended December 31, 2023 and 2022 were approximately $16,000 and $4,000, respectively.

The Organization’s employee retention credit filings remain open for potential examination by the IRS through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Note 9 - Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31, 2023 and 2022 are as follows:

	2023	2022
Board-designated endowment funds for		
Operations	$ 3,450,009	$ 3,335,261
Transitional Living Facility maintenance reserve fund	4,097,749	3,251,067
Total board designated endowment funds	7,547,758	6,586,328
Undesignated funds	18,281,880	18,091,028
Total net assets without donor restrictions	$ 25,829,638	$ 24,677,356

Note 10 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted at December 31, 2023 and 2022 as follows:

	2023	2022
Subject to expenditure for specified purpose		
Programs	$ 295,668	$ 852,073
Transitional Living Facility	816,476	683,766
Transitional Living Facility - maintenance reserve fund	500,000	500,000
Capital improvements	637,529	477,145
Scholarships	151,433	150,333
Total purpose restrictions	2,401,106	2,663,317
Subject to time restrictions		
United Way funding for next year	150,000	150,000
Operating funds for future years	1,015,000	485,000
Total time restrictions	1,165,000	635,000
Endowments		
Term endowment funds		
Health and fitness facility maintenance reserve fund	3,314,234	3,005,963
Unspent appreciation of endowment funds, which must be appropriated before use		
Restricted by donors for scholarships	42,357	9,180
Original gift values to be held in perpetuity for scholarships		
Mary S. Landen Scholarship	151,465	147,965
MHB Staff Award	86,100	86,100
Original gift values to be held in perpetuity for operations		
Girls Inc. Endowment Fund	459,193	459,193
John A. and Harriet K. Wiebe Endowment Fund	397,651	397,651
Total corpus	1,094,409	1,090,909
Total endowments	4,451,000	4,106,052
Total net assets with donor restrictions	$ 8,017,106	$ 7,404,369

Note 11 - Endowments

The Organization holds endowment funds for support of its programs and operations, scholarships, and the ongoing operations and maintenance of its facilities. As required by GAAP, net assets and the changes therein associated with endowment funds, including funds designated by the Board of Directors of the Organization (the Board) to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Management has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NUPMIFA.

In accordance with NUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

The composition of endowment net assets by type of fund is as follows at December 31, 2023 and 2022:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 4,451,000	$ 4,451,000
Board-designated endowment funds	7,547,758	-	7,547,758
	$ 7,547,758	$ 4,451,000	$ 11,998,758

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 4,059,502	$ 4,059,502
Board-designated endowment funds	6,586,328	-	6,586,328
	$ 6,586,328	$ 4,059,502	$ 10,645,830

The changes in endowment net assets for the years ended December 31, 2023 and 2022 is as follows:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	$ 6,586,328	$ 4,059,502	$ 10,645,830
Investment return			
Net investment income	140,254	107,237	247,491
Net appreciation on investments	1,202,094	524,077	1,726,171
Total investment return	1,342,348	631,314	1,973,662
Appropriations	(380,918)	(243,316)	(624,234)
Additions	-	3,500	3,500
Endowment Net Assets, End of Year	$ 7,547,758	$ 4,451,000	$ 11,998,758

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	$ 8,667,589	$ 4,651,779	$ 13,319,368
Investment return:			
Net investment income	188,178	132,814	320,992
Net depreciation on investments	(1,730,043)	(867,987)	(2,598,030)
Total investment return	(1,541,865)	(735,173)	(2,277,038)
Transfers	(139,396)	139,396	-
Appropriations	(400,000)	-	(400,000)
Additions	-	3,500	3,500
Endowment Net Assets, End of Year	$ 6,586,328	$ 4,059,502	$ 10,645,830

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and to comply with all donor-imposed restrictions. Under these policies the endowment assets are invested in a manner that attempts to preserve the capital while maximizing total returns over long periods of time primarily through capital appreciation and dividends. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objective of preserving endowment funds, the Organization has relied on a total return strategy in which investment returns are achieved primarily through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment assets are invested using the following asset allocation range:

Domestic stocks	20 - 50 %
International stocks	10 - 30
Bonds	15 - 40
Alternative investments	5 - 30
Cash and cash equivalents	0 - 15

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The Organization preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary. Interest, dividends and net appreciation of the donor-restricted endowment funds are deemed appropriated for expenditure when spent. The Organization has a spending policy of 5 – 7% annually.

Note 12 - In-Kind Contributions

During the year ended December 31, 2022, the Organization received in-kind contributions without donor restrictions for program functions as follows:

	2022
Supplies	$ 12,775
Furniture and equipment	6,500
Event tickets	2,280
Total in-kind contributions	$ 21,555

The value of supplies and furniture and equipment are provided by donors or determined through research of the market value of similar products. Event tickets are valued at the face value of the ticket.

Note 13 - Retirement Plan

The Organization participates in a defined contribution 403(b) plan which is available to all employees immediately upon employment. The Organization will contribute an amount equal to the elective deferral of the participant up to the first 5% deferred. Total expense for the program for the years ended December 31, 2023 and 2022 was $52,555 and $56,457, respectively.

Note 14 - Related Party Transactions

The Organization received support of approximately $620,000 and $259,000 for the years ended December 31, 2023 and 2022, respectively, from related parties, primarily board members. As of December 31, 2023 and 2022, $250,000 and $15,000, respectively, was included in contributions receivable from related parties. In addition, the Organization paid approximately $85,000 and $8,000 for the years ended December 31, 2023 and 2022 to an employer of a board member for repair contracts and capital projects.

Note 15 - Concentrations, Risk, and Uncertainties

The Organization routinely invests its funds in fixed income and equity mutual funds and one common stock. Investment in these securities is not insured or guaranteed; however, management believes that credit risk related to these investments is minimal.

Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Organization, at times, may maintain cash deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. Accounts are guaranteed by the FDIC up to $250,000, per insured bank, for each account ownership category. At December 31, 2023 and 2022, the Organization had approximately $292,000 and $816,000, respectively, in excess of FDIC-insured limits.