BOYS AND GIRLS CLUBS OF THE MIDLANDS

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(WITH INDEPENDENT AUDITOR'S REPORT)

FRANKEL

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Boys and Girls Clubs of the Midlands
Omaha, Nebraska:

Opinion

We have audited the accompanying financial statements of Boys and Girls Clubs of the Midlands (a nonprofit organization) which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, 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 Boys and Girls Clubs of the Midlands as of December 31, 2025 and 2024, 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 Boys and Girls Clubs of the Midlands and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Boys and Girls Clubs of the Midlands' 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 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.

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 Boys and Girls Clubs of the Midlands' 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 Boys and Girls Clubs of the Midlands' 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, LLC

Omaha, Nebraska
June 8, 2026

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31		**2025**	**2024**
ASSETS			
Cash	$	970,531	523,196
Investments (Notes 3, 6 and 12)		21,244,301	20,014,116
Receivables			
Grants		285,721	824,465
Investment fund		---	250,000
Other, net (Note 4)		1,382,273	61,973
Pledges, net (Note 4)		1,165,254	1,554,666
Total receivables		**2,833,248**	**2,691,104**
Restricted cash		304,691	203,216
Equipment lease right of use assets, net (Note 10)		154,719	268,071
Beneficial interest in trust		---	537,181
Land, buildings and equipment, net (Note 7)		14,818,741	15,285,287
Intangible assets, net (Note 8)		9,897,902	10,572,106
Other		202,148	118,301
TOTAL ASSETS	**$**	**50,426,281**	**50,212,578**
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	$	533,291	590,305
Construction costs payable		---	62,928
Funds held for others		121,237	100,457
Refundable advances - grants		---	87,808
Other		202,620	20,000
Finance lease obligations (Note 10)		160,725	261,414
Total liabilities		**1,017,873**	**1,122,912**
Net assets			
Without donor restrictions			
Undesignated		24,385,790	27,257,805
Board-designated endowment		8,626,790	7,800,278
Total without donor restrictions		33,012,580	35,058,083
With donor restrictions (Note 11)		16,395,828	14,031,583
Total net assets		**49,408,408**	**49,089,666**
TOTAL LIABILITIES AND NET ASSETS	**$**	**50,426,281**	**50,212,578**

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support				
Contributions - Cash and other financial assets	$	2,709,518	4,208,542	6,918,060
Grants - Indirect federal		481,117	---	481,117
Grants - Other		1,857,707	62,500	1,920,207
Contributions - Nonfinancial assets		1,400,722	---	1,400,722
Membership dues, fees, and incidental charges		233,017	---	233,017
Investment income, net		1,288,819	1,177,823	2,466,642
Special fundraising events (net of direct expenses of $205,982)		1,069,144	---	1,069,144
Rental and miscellaneous		55,021	---	55,021
Net earnings in beneficial interest in trust		107,982	---	107,982
Total revenues, gains and other support		**9,203,047**	**5,448,865**	**14,651,912**
Net assets released from restrictions (Note 11)		**3,084,620**	**(3,084,620)**	**---**
Functional expenses				
Program services				
Academic success		2,406,439	---	2,406,439
Healthy lifestyles		6,898,916	---	6,898,916
Character and leadership		982,715	---	982,715
Scholarship and outreach		1,439,462	---	1,439,462
Total program services		**11,727,532**	**---**	**11,727,532**
Supporting services				
Management and general		1,575,697	---	1,575,697
Fundraising		1,029,941	---	1,029,941
Total supporting services		**2,605,638**	**---**	**2,605,638**
Total functional expenses		**14,333,170**	**---**	**14,333,170**
Loss on disposal of property and equipment		---	---	---
INCREASE (DECREASE) IN NET ASSETS		**(2,045,503)**	**2,364,245**	**318,742**
Net assets at beginning of year		35,058,083	14,031,583	49,089,666
NET ASSETS AT END OF YEAR	**$**	**33,012,580**	**16,395,828**	**49,408,408**

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support				
Contributions - Cash and other financial assets	$	4,680,813	977,269	5,658,082
Grants - Indirect federal		624,973	---	624,973
Grants - Other		2,636,120	342,976	2,979,096
Contributions - Nonfinancial assets		1,387,314	---	1,387,314
Membership dues, fees, and incidental charges		242,878	---	242,878
Investment income, net		1,112,456	939,387	2,051,843
Special fundraising events (net of direct expenses of $216,218)		1,005,076	---	1,005,076
Rental and miscellaneous		56,157	---	56,157
Net earnings in beneficial interest in trust		56,642	---	56,642
Total revenues, gains and other support		**11,802,429**	**2,259,632**	**14,062,061**
Net assets released from restrictions (Note 11)		**10,713,519**	**(10,713,519)**	**---**
Functional expenses				
Program services				
Academic success		3,120,879	---	3,120,879
Healthy lifestyles		5,251,293	---	5,251,293
Character and leadership		1,658,305	---	1,658,305
Scholarship and outreach		942,767	---	942,767
Total program services		**10,973,244**	**---**	**10,973,244**
Supporting services				
Management and general		2,132,621	---	2,132,621
Fundraising		974,796	---	974,796
Total supporting services		**3,107,417**		**3,107,417**
Total functional expenses		**14,080,661**	**---**	**14,080,661**
Loss on disposal of property and equipment		90,898	---	90,898
INCREASE (DECREASE) IN NET ASSETS		**8,344,389**	**(8,453,887)**	**(109,498)**
Net assets at beginning of year		26,713,694	22,485,470	49,199,164
NET ASSETS AT END OF YEAR	**$**	**35,058,083**	**14,031,583**	**49,089,666**

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Program Services					Supporting Services			Total
	Academic Success	Healthy Lifestyles	Character & Leadership	Scholarship & Outreach	Total	Management and General	Fundraising	Total	Total Functional Expenses
Salaries	$ 1,254,963	3,355,469	500,947	564,663	5,676,042	338,713	645,535	984,248	6,660,290
Employee benefits	158,006	410,818	63,203	4,475	636,502	189,278	108,974	298,252	934,754
Payroll taxes	92,669	248,334	37,088	40,965	419,056	28,167	46,635	74,802	493,858
Total employee compensation	**1,505,638**	**4,014,621**	**601,238**	**610,103**	**6,731,600**	**556,158**	**801,144**	**1,357,302**	**8,088,902**
Specific assistance to individuals	11,306	408,941	4,356	155	424,758	399	---	399	425,157
Professional fees and contracts	61,235	163,788	24,494	103,771	353,288	354,584	76,101	430,685	783,973
Scholarships, awards & incentives	9,117	10,686	20,374	418,338	458,515	31,653	2,867	34,520	493,035
Supplies	124,283	287,322	45,622	1,941	459,168	128,039	2,942	130,981	590,149
Telephone	16,684	43,574	6,674	6,143	73,075	22,258	3,775	26,033	99,108
Occupancy	281,212	787,014	117,987	112,800	1,299,013	76,180	---	76,180	1,375,193
Insurance	67,253	174,859	26,901	---	269,013	93,420	---	93,420	362,433
Student transportation	22,598	118,152	10,072	6,341	157,163	12,030	2,714	14,744	171,907
Conferences, trainings and meetings	3,734	15,427	1,492	16,154	36,807	19,061	5,256	24,317	61,124
Rental, maintenance and equipment	20,109	52,364	8,766	---	81,239	20,838	128	20,966	102,205
National dues	---	---	---	---	---	30,994	---	30,994	30,994
Miscellaneous	1,803	12,068	414	31	14,316	18,592	10,507	29,099	43,415
Expenses before depreciation	**2,124,972**	**6,088,816**	**868,390**	**1,275,777**	**10,357,955**	**1,364,206**	**905,434**	**2,269,640**	**12,627,595**
Depreciation and amortization	281,467	810,100	114,325	163,685	1,369,577	211,491	124,507	335,998	1,705,575
Total expenses	**$ 2,406,439**	**6,898,916**	**982,715**	**1,439,462**	**11,727,532**	**1,575,697**	**1,029,941**	**2,605,638**	**14,333,170**

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

		Program Services					Supporting Services			Total
		Academic Success	Healthy Lifestyles	Character & Leadership	Scholarship & Outreach	Total	Management and General	Fundraising	Total	Functional Expenses
Salaries	$	1,321,101	2,241,567	747,275	257,708	4,567,651	825,576	667,600	1,493,176	6,060,827
Employee benefits		188,992	276,988	113,421	61,343	640,744	144,426	102,464	246,890	887,634
Payroll taxes		97,263	165,221	55,105	18,191	335,780	58,288	46,075	104,363	440,143
Total employee compensation		**1,607,356**	**2,683,776**	**915,801**	**337,242**	**5,544,175**	**1,028,290**	**816,139**	**1,844,429**	**7,388,604**
Specific assistance to individuals		28,461	390,456	80,207	1,452	500,576	1,889	242	2,131	502,707
Professional fees and contracts		92,262	204,798	69,555	24,523	391,138	615,317	19,767	635,084	1,026,222
Scholarships, awards & incentives		26,371	14,676	60,655	374,724	476,426	3,830	2,460	6,290	482,716
Supplies		484,826	159,540	64,144	6,355	714,865	57,317	21,073	78,390	793,255
Telephone		21,702	53,721	9,500	3,290	88,213	20,900	6,203	27,103	115,316
Occupancy		369,522	750,849	182,060	78,075	1,380,506	27,945	---	27,945	1,408,451
Insurance		78,197	202,698	31,184	950	313,029	20,631	1,659	22,290	335,319
Student transportation		32,064	93,941	50,127	16,398	192,530	15,981	820	16,801	209,331
Conferences, trainings and meetings		11,105	30,824	5,045	3,681	50,655	22,248	1,955	24,203	74,858
Rental, maintenance and equipment		18,528	47,050	11,412	---	76,990	3,478	662	4,140	81,130
National dues		---	---	---	---	---	31,523	---	31,523	31,523
Miscellaneous		12,673	32,859	5,047	163	50,742	13,795	4,600	18,395	69,137
Expenses before depreciation		**2,783,067**	**4,665,188**	**1,484,737**	**846,853**	**9,779,845**	**1,863,144**	**875,580**	**2,738,724**	**12,518,569**
Depreciation and amortization		337,812	586,105	173,568	95,914	1,193,399	269,477	99,216	368,693	1,562,092
Total expenses	**$**	**3,120,879**	**5,251,293**	**1,658,305**	**942,767**	**10,973,244**	**2,132,621**	**974,796**	**3,107,417**	**14,080,661**

BOYS AND GIRLS CLUBS OF THE MIDLANDS

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31		**2025**	**2024**
Cash flows from operating activities:			
Increase (decrease) in net assets	$	318,742	(109,498)
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation and amortization		1,705,575	1,562,093
Net realized and unrealized gain on investments		(1,913,527)	(1,544,595)
Net change in beneficial interest in trust		537,181	(537,181)
Contributions restricted for capital projects		(416,156)	1,997,534
Contributions restricted for scholarships and programs		(687,186)	(300,310)
Loss on disposal of land, buildings and equipment		---	90,898
(Increase) decrease in operating assets:			
Receivables:			
Grants		538,744	493,003
Other		(1,320,300)	(52,266)
Pledges		(152,086)	377,135
Other		(83,847)	(13,203)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses		(72,594)	221,987
Funds held for others		20,780	2,252
Refundable advances - grants		(87,808)	(105,177)
Other		182,620	(15,000)
Net cash provided (used) by operating activities		**(1,429,862)**	**2,067,672**
Cash flows from investing activities:			
Acquisition of building and equipment		(498,821)	(4,127,343)
Purchase of investments		(6,101,381)	(10,480,163)
Proceeds from sale of investments		7,034,723	11,918,966
Net cash provided (used) by investing activities		**434,521**	**(2,688,540)**
Cash flows from financing activities:			
Contributions restricted for capital projects		957,654	282,836
Contributions restricted for scholarships and programs		687,186	300,310
Principal payments on finance lease obligations		(100,689)	(104,051)
Net cash provided by financing activities		**1,544,151**	**479,095**
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH		**548,810**	**(141,773)**
Cash and restricted cash at beginning of year		726,412	868,185
Cash and restricted cash at end of year	**$**	**1,275,222**	**726,412**
Non-cash investing and financing activity:			
Building and equipment or construction costs in accounts payable	$	15,580	62,928
Supplemental data:			
Interest paid		7,674	12,011

See accompanying notes to financial statements.

Boys and Girls Clubs of the Midlands (the Club) provides youth development programs and opportunities as Boys and Girls Clubs of Omaha, Boys and Girls Clubs of Carter Lake and Boys and Girls Clubs of Council Bluffs.

The Club is a not-for-profit organization established to inspire and enable all young people, especially those who need us most, to realize their full potential as productive, responsible, healthy and caring citizens.

The Club provides programs in four core areas:

- Academic success – remove barriers in learning and help ensure that members graduate from high school on time with essential academic and life skills. The goal is to help these young people grow into self-directed learners, who succeed academically, and have developed a passion for lifelong learning.
- Healthy lifestyles – help members develop positive behaviors, set personal goals, and understand the importance of maintaining healthy lifestyles, both mentally and physically. The goal is to equip members with the knowledge and skills necessary to make informed, healthy decisions that contribute to their overall well-being.
- Character and leadership – aim to foster members' character, individual growth, and leadership qualities through service work, community involvement, and the establishment of personal goals. The goal is to develop young people who stay true to their values, demonstrate good leadership and drive positive change in their communities.
- Scholarship and outreach – cultivate post-secondary readiness in middle and high school members and include dedicated outreach efforts to ensure that resources reach those who need them most. The goal is to proactively reach young people and ensure they are equipped with the knowledge and resources needed to actively pursue their post-secondary goals.

The 2024 program expenses were reclassified to be presented under comparable program allocations as the current year. There were no overall changes in the total functional expenses. In addition, there were non-recurring professional fees incurred in supporting services in 2024.

1. Summary of Significant Accounting and Reporting Policies

A. Basis of Presentation

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and specifically with Accounting Standards Codification (ASC) section 958, Not-for-Profit Entities, issued by the Financial Accounting Standards Board (FASB). Net assets are classified as without donor restrictions and with donor restrictions, defined as follows:

The use of net assets without donor restrictions is not limited by donor-imposed stipulations and are, therefore, available for general operations.

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.

B. Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Estimates and assumptions affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Because of the inherent uncertainties in this process, it is likely that actual results will vary from the estimates.

Continued

1. Summary of Significant Accounting and Reporting Policies - Continued

B. Estimates and Assumptions - Continued

The Club invests in securities exposed to interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position and activities.

C. Cash and Restricted Cash

The following table provides a reconciliation of cash and restricted cash at December 31 reported in the statements of financial position that sum to the total shown on the statements of cash flows.

	2025	2024
Cash	$ 970,531	523,196
Cash restricted for capital projects and programs	304,691	203,216
Total cash and restricted cash as presented in the Statements of Cash Flows	**$ 1,275,222**	**726,412**

D. Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in the fair value of investments are reported in the statement of activities. Dividends and interest are recognized as earned.

E. Beneficial Interest in Trust

The Club received notification in 2024 that it is a 25% beneficiary to a charitable remainder annuity trust. Distributions received from the trust along with the beneficial interest have been recognized as contribution revenue. The beneficial interest in the trust is reported at fair value, which is estimated as the fair value of underlying trust assets. The value of the beneficial interest in the trust is adjusted for the change in its estimated fair value. All remaining assets of the trust were distributed to the beneficiaries in 2025.

F. Land, Buildings and Equipment

Land, buildings and equipment are reported at cost or the fair value of donated items at the time of donation. Assets with a cost exceeding $2,000 and an estimated life of more than one year are capitalized. Depreciation is computed by the straight-line method over estimated useful lives.

Land improvements	10 to 15 years
Buildings and improvements	5 to 50 years
Furniture, fixtures, and equipment	3 to 15 years
Automobiles	5 years

G. Leases

The Club determines if an arrangement is a lease at inception, and further classifies each lease as an operating or finance lease. Financing leases are presented as equipment financing lease right-of-use assets and finance lease obligations on the statement of financial position. The Club does not have any significant operating leases.

Continued

1. Summary of Significant Accounting and Reporting Policies – Continued

G. Leases - Continued

Right-of-use assets represent the Club's right to use an underlying asset for the lease term and lease liabilities represent the Club's obligation to make lease payments arising from the lease. Finance lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The finance lease right-of-use assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that they will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

H. Contributions

Contributions are recognized as revenue when cash, securities or other assets, including unconditional promise to give are received from a donor. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are recognized as revenue when the conditions upon which they depend are substantially met.

The Club recognizes contributions as support with donor restrictions if they are subject to donor stipulations that limit the use of the donated assets. When donor restrictions are satisfied, net assets with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as "net assets released from restrictions". Contributions received with donor-imposed restrictions that are satisfied in the same year the contribution is received are reported as revenues without donor restrictions.

Contributions of nonfinancial assets, including in-kind rent for use of facilities, internet and other professional services, are reported at fair value on the date received.

I. Grant Revenue

Grant revenue is recognized in accordance with grant terms. Cost reimbursement grants are considered conditional contributions and revenue is recognized as the Club incurs allowable qualifying expenses and bills the respective grantor. Unearned grant advances are presented as refundable advances in the statements of financial position. All grant receivables are considered fully collectible by Club management.

J. Contributed Services

Volunteers contributed approximately 4,000 and 5,000 hours of services to the Club in 2025 and 2024, respectively. The value of such services is not reported, as these services do not require specialized skills.

K. Exchange Transaction Revenue

The Club recognizes exchange transaction revenue from the following sources:

- Membership dues, fees, and incidental charges
- Special fundraising events

The Club charges school-aged youth annual membership dues of $30 for access to the Clubs. Dues are recognized as revenue over time in the applicable calendar year. In addition, the Club charges fees for early arrival at the facility after school, summer camp, sports, and other activities which are recognized at the point in time the service is provided. The performance obligation for each service is completed within the same reporting period, thus there are no receivables, prepaid membership dues or fees that would be considered a liability.

Continued

1. Summary of Significant Accounting and Reporting Policies - Continued

K. Exchange Transaction Revenue - Continued

Special fundraising events are held throughout the year in which a portion of the gross proceeds received from participants represents payment for the direct cost of benefits received by event participants. Generally, the fair value of the direct benefit received is measured at the actual direct cost to the Club. The event fee is set by Club management and is recognized at a point in time when the event is held. The fee net of direct expenses is presented as special fundraising events revenue on the statement of activities.

L. Income Taxes

The Club is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no taxes are included in these financial statements.

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 not-for-profit organization include activities that may endanger its exempt purpose and status as an exempt organization. The Club believes it complies with all relevant tax laws and regulations and has no significant uncertain tax positions. Therefore, no liability for uncertain taxes has been recorded in the financial statements.

M. Functional Expenses

The financial statements report expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services. In addition, building and technology costs are allocated based on usage of space and equipment.

N. Subsequent Events

Management evaluated transactions and events occurring subsequent to December 31, 2025, and through June 8, 2026, 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.

Continued

2. Liquidity and Availability of Funds

The Club's financial assets available for general expenditure within one year of the statement of financial position date, are as follows:

	2025	2024
Total assets at year-end	$ 50,426,281	50,212,578
Less:		
Investments including:		
Board-designated endowment	(8,626,790)	(7,800,278)
Other endowments	(11,048,340)	(9,807,038)
Restricted for capital projects	(1,569,171)	(2,406,800)
Investment fund receivable	--	(250,000)
Pledges and other receivables	(2,547,527)	(1,699,666)
Cash restricted for capital projects	(304,691)	(203,216)
Equipment right of use assets	(154,719)	(268,071)
Land, buildings and equipment, net	(14,818,741)	(15,285,287)
Intangible assets, net	(9,897,902)	(10,572,106)
Beneficial interest in trust	--	(537,181)
Other	(202,148)	(118,301)
Total financial assets available for general expenditures as of year-end	**$ 1,256,252**	**1,264,634**

The Club's endowment funds consist primarily of donor-restricted endowments to support Club activities and operations. Income from all endowment funds is subject to appropriation by the board.

As part of the Club'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. To help manage unanticipated liquidity needs, the Club has a borrowing capacity on its line of credit in the amount of $1,000,000, which it could draw upon. In 2023, the Club initiated a five-year drawdown of $4 million of the Clubs & You capital campaign funding. The purpose of this drawdown is to support operations of the Club expansion, which was the intended purpose for a portion of the Clubs & You capital campaign's funding. As part of this expansion, the Club is providing a member-to-staff ratio lower than the national average to maintain compliance with state childcare regulations. Additionally, the Club has board-designated endowment funds of $8.6 million at December 31, 2025. Although the Club 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.

3. Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Club has the ability to access.

Continued

3. Fair Value Measurements – Continued

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodology could produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Club believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Club's assets at fair value as of December 31, 2025 and December 31, 2024.

Assets at Fair Value as of December 31, 2025

	Level 1	Level 2	Level 3	Total
Recurring measurements				
Investments:				
Money market funds	$ 3,242,437	--	--	3,242,437
Mutual and exchange traded funds				
Bond	4,083,524	--	--	4,083,524
Domestic equity	8,741,610	--	--	8,741,610
International equity	3,376,833	--	--	3,376,833
Corporate bonds	--	298,860	--	298,860
Common stock	175,928	--	--	175,928
	$ 19,620,332	298,860	--	19,919,192
Investment fund measured at net asset value (1)				1,325,109
Total investments				$ 21,244,301

Continued

3. Fair Value Measurements – Continued

Assets at Fair Value as of December 31, 2024

	Level 1	Level 2	Level 3	Total
Recurring measurements				
Investments:				
Money market funds	$ 3,174,245	--	--	3,174,245
Mutual and exchange traded funds				
Bond	3,646,638	--	--	3,646,638
Domestic equity	8,287,709	--	--	8,287,709
International equity	2,466,008	--	--	2,466,008
Corporate bonds	--	1,043,431	--	1,043,431
Common stock	158,648	--	--	158,648
	$ 17,733,248	1,043,431	--	18,776,679
Investment fund measured at net asset value (1)				1,237,437
Total investments				$ 20,014,116

(1) In accordance with FASB ASC 820-10, certain investments that were measured at net asset value per share (or its equivalent) as a practical expedient 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.

Fair Value of Investments in Entities That Use Net Asset Value Per Share

The investment fund's investment strategy is to allocate its assets among various investment strategies in an effort to generate long-term positive returns with a low correlation to equity markets. The following table summarizes investments measured at fair value based on net asset value per share:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2025				
Investment fund	$ 1,325,109	n/a	Annually	120 days
December 31, 2024				
Investment fund	$ 1,237,437	n/a	Annually	120 days

4. Pledges and Other Receivables

The Club has received unconditional promises to give mostly for multi-year operational and program support. A discount rate of 4.00% or 4.50%, which approximates an appropriate risk-free rate adjusted for risks related to collection at the time of the pledges, was used to determine present value. Pledges and other receivables recognized for promises to give include the following:

Less than one year	$ 1,202,471
One to five years	1,430,000
	2,632,471
Less discount to present value	84,944
Net pledges and other receivables	**$ 2,547,527**

5. Conditional Contributions

As of December 31, 2025, approximately $594,600 is available under current cost-reimbursement grants for future expenses.

6. Investments

	Cost	Net Unrealized Gain	Net Unrealized Loss	Fair Value
Money market funds	$ 3,242,437	--	--	3,242,437
Mutual and exchange traded funds				
Bond	4,104,273	--	(20,749)	4,083,524
Domestic equity	6,075,317	2,666,293	--	8,741,610
International equity	2,564,412	812,421	--	3,376,833
Corporate bonds	296,903	1,957	--	298,860
Common stock	20,139	155,789	--	175,928
Investment fund	748,846	576,263	--	1,325,109
Balance at December 31, 2025	**$ 17,052,327**	**4,212,723**	**(20,749)**	**21,244,301**
Balance at December 31, 2024	**$ 17,454,474**	**2,832,005**	**(272,363)**	**20,014,116**

7. Land, Buildings and Equipment

	2025	2024
Land	$ 691,872	691,872
Land improvements	136,106	115,099
Buildings	22,358,446	22,220,240
Furniture and fixtures	3,820,846	3,582,955
Vehicles	833,662	818,231
Equipment and other	1,291,409	1,275,829
Pool	309,024	278,090
Construction in progress	57,930	65,504
	29,499,295	**29,047,820**
Less accumulated depreciation	14,680,554	13,762,533
Net land, buildings and equipment	**$ 14,818,741**	**15,285,287**

Depreciation expense was $918,021 and $773,479 for the years ended December 31, 2025 and 2024, respectively.

Continued

8. Intangible Assets

The Club has various agreements with area school districts whereby the Club contributed to the cost of construction of the facilities and was given occupancy and use rights of the property in exchange. If the agreements are terminated by the owners, a portion of the original cost, that decreases over time, will be refunded. The costs of facility use are being amortized over the expected term of the agreements based on the applicable termination payment schedules. The intangible assets related to the agreements with Omaha Public Schools (OPS), Millard School District (Millard), and Westside School District (Westside) are summarized below.

		2025			
	Expiration Year	Cost	Accumulated Amortization	Net	2024 Net
OPS Mount View Elementary	2057	1,300,000	1,000,000	300,000	350,000
OPS Florence Elementary	2067	2,223,306	696,806	1,526,500	1,618,499
Millard Central Middle School	2067	3,524,946	1,152,540	2,372,406	2,520,010
Westside Westbrook Elementary	2043	4,464,991	872,225	3,592,766	3,827,749
OPS Bryan Middle School	2068	2,917,600	811,370	2,106,230	2,253,733
Other	2025	9,519	9,519	--	2,115
				$ 9,897,902	**10,572,106**

Amortization expense was $674,204 and $675,262 for the years ended December 31, 2025 and 2024, respectively.

Amortization costs related to these intangible assets over the next five years is expected to be as follows:

2026	$ 672,092
2027	652,092
2028	617,438
2029	601,216
2030	601,216
Thereafter	6,753,848
	$ 9,897,902

9. Debt

The Club has an unsecured $1,000,000 revolving note payable with interest at the U.S. Prime Rate as published in the Wall Street Journal. The effective rate was 6.75% as of December 31, 2025. The agreement matures February 1, 2027. There was no outstanding balance at December 31, 2025 or 2024.

10. Leasing Activities

The Club leases office equipment under two finance leases with remaining terms of approximately four and five years. The obligations are recorded at the present value of the minimum lease payments. The asset and liability were calculated using the discount rate implicit in the lease. The equipment is amortized over the life of the lease.

The following is a summary of equipment and components of lease expense under finance leases:

	2025	2024
Equipment	$ 558,822	558,822
Accumulated amortization	(404,103)	(290,751)
	154,719	268,071
Amortization of right of use asset	113,352	113,352
Interest on lease liabilities	7,674	12,011

Continued

10. Leasing Activities - Continued

Other information related to leases was as follows for the years ending December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (Interest)	$ 7,674	12,011
Financing cash flows from finance leases (Principal)	100,689	104,051
Weighted average remaining lease term:	1.50 years	2.44 years
Weighted average discount rate:	3.43%	3.74%

Minimum future payments under the leases are as follows:

	Amount
2026	$ 107,608
2027	56,703
Total undiscounted cash flows	**164,311**
Less: present value discount	(3,586)
Total lease liability	**$ 160,725**

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at December 31:

	2025	2024
Subject to expenditure for a specific purpose:		
Capital campaign – Clubs and You	$ 894,068	2,136,535
Capital campaign – Carter Lake	134,967	270,260
Programs	102,943	81,806
Subject to the passage of time:		
Operations	3,569,967	1,275,409
Subject to the Club’s spending policy and appropriation:		
Scholarships	6,650,942	5,922,069
Scholarship administration	114	20,452
Programs	1,131,318	1,011,350
Capital projects	728,969	207,746
Other	208,846	132,262
Endowment funds restricted in perpetuity	2,973,694	2,973,694
	$ 16,395,828	**14,031,583**

The following restrictions were satisfied during the years ended:

	2025	2024
Purpose	$ 1,809,211	9,782,579
Time	1,275,409	930,940
	$ 3,084,620	**10,713,519**

Continued

12. Endowments

Interpretation of Relevant Law

The Board of Directors of the Club has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Club classifies as net assets with donor restrictions (a) the original value of initial and subsequent gift amounts donated to the donor-restricted endowment funds, and (b) any accumulations to the donor-restricted endowment funds that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Club has interpreted NUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with NUPMIFA, the Club 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.

Continued

12. Endowments - Continued

Endowment Net Asset Composition by Type of Fund

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Perpetual in duration – original gift amount	$ --	2,973,694	2,973,694
Other	--	8,074,646	8,074,646
Board-designated endowment funds	8,626,790	--	8,626,790
Total funds	**$ 8,626,790**	**11,048,340**	**19,675,130**

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Perpetual in duration – original gift amount	$ --	2,973,694	2,973,694
Other	--	7,085,719	7,085,719
Board-designated endowment funds	7,800,278	--	7,800,278
Total funds	**$ 7,800,278**	**10,059,413**	**17,859,691**

Changes in Endowment Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2023	**$ 5,779,570**	**9,984,023**	**15,763,593**
Investment return, net	909,304	973,060	1,882,364
Contributions	1,500,000	265,142	1,765,142
Appropriation of endowment assets for expenditure	(388,596)	(1,162,812)	(1,551,408)
Endowment net assets, December 31, 2024	**7,800,278**	**10,059,413**	**17,859,691**
Investment return, net	1,159,099	1,210,338	2,369,437
Contributions	241,179	716,774	957,953
Appropriation of endowment assets for expenditure	(573,766)	(938,185)	(1,511,951)
Endowment net assets, December 31, 2025	**$ 8,626,790**	**11,048,340**	**19,675,130**

Strategies Employed for Achieving Objectives

The Club protects assets and preserves purchasing power by earning a total rate of return for each category of funds appropriate to each category's time horizon, liquidity needs and risk tolerance. Funds designated as reserves have objectives that emphasize safety, liquidity and yield. Funds with a long-term horizon are managed with a long-term total return objective, which will build value at a rate of the Consumer Price Index plus 3%-5% depending on the asset mix of the portfolio. Assets committed to equity securities are maintained at approximately 60% of total assets, with the remaining 40% committed to fixed income securities. The Club allows for a 10% plus or minus variance with these percentages.

Spending Policy and How the Investment Objectives Relate to Spending Guidelines

The Club sets an annual distribution rate of no more than 5% of the endowment's average market value over the prior twelve quarters. Draws in excess of this policy limit may only occur under limited circumstances and require approval of the Board of Directors.

Continued

12. Endowments – Continued

Return Objectives and Risk Parameters

The Club has adopted investment and spending guidelines for endowment assets that attempt to preserve the principal and purchasing power of the endowment fund. Under these guidelines, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that provide a return on investment consistent with the spending policy and sufficient to increase the long-term value of the fund net of inflation. The Club's investment goal of the endowment fund is to maintain a rate of return at least equal to the distribution rate plus a rate of return that varies depending on the type of investment. Actual returns in any given year may vary from this amount.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires the Club to retain as a fund of perpetual duration. These deficiencies may result from unfavorable market fluctuations that occurred after the investment of donor-restricted endowment funds and appropriation for programs that was deemed prudent by the Board of Directors. There were no deficiencies as of December 31, 2025. There were deficiencies of approximately $19,700 as of December 31, 2024.

Board Designations

Board-designated endowment funds are presented as net assets without donor restrictions. These funds are designated to support operations as needed.

13. Retirement Plans

Employees who have completed one year of service are eligible to participate in a defined contribution plan. Eligible employees may make elective contributions to the plan. The Club made discretionary contributions in 2025 and 2024 based on 5% of participant compensation. The Club also made mandatory matching contributions on employee deferrals up to 5% of compensation. Total Club contributions were $349,439 and $262,468 for 2025 and 2024, respectively.

Continued

14. Contributions – nonfinancial assets

Contributions of nonfinancial assets recognized in the statement of activities were for services and property. These contributions were not monetized by the Club other than the donated vehicle; however, after donated items are accepted, the Club retains the right to dispose of a gift as it sees fit, unless another arrangement has been made with the donor. There were no donor-imposed restrictions on the contributions. The Club operates club locations at a number of schools within the Omaha Public, Millard Public and Westside Community school districts as discussed in the intangible asset disclosure (Note 8) and the summary of significant accounting and reporting policies (Note 1.E). Further in-kind contributions relate to professional fees provided at no charge to the Club.

	2025	2024	Utilization in Programs	Valuation Techniques and Inputs
Professional fees	$ 25,250	34,750	Management and General	Estimated costs for services provided as received from legal representatives including a board member.
Use of building	971,415	948,507	Academic Success, Healthy Lifestyles, Character and Leadership, Management and General	Estimated values of utility and occupancy expenses based on actual costs and square footage of shared space.
Internet fees	404,057	404,057	Academic Success	Estimated based on actual costs paid in the prior year.
	$ 1,400,722	**1,387,314**		

15. Concentrations

The Club participates in federal and non-federal grant programs that are subject to review and audit by the grantor. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the Club.

Grants receivable include approximately $239,000 from three grantors. Indirect federal grant revenue includes approximately $383,000 from three grantors and other grant revenue includes approximately $1,450,000 from three grantors.

Pledges receivable include approximately $1,500,000 from two foundations.

The Club regularly maintains cash balances in excess of FDIC insured limits. In addition, approximately 14% of investments held at December 31, 2025 were invested in one index exchange traded fund.

Continued

16. Related Party Transactions

The Club has various service agreements with entities controlled by members of the Board of Directors. These agreements were entered into prior to the members' election to the Board or with complete disclosure of the relationship to the Board. In addition, revenues received from members of the Board of Directors are reflected in the statement of activities.

17. Charles E. Lakin Human Services Campus

The Club and four other local not-for-profit entities are party to a cooperative agreement related to the construction and operation of the Charles E. Lakin Human Services Campus in Council Bluffs, Iowa. The Campus offers various services for low-income individuals, including housing, emergency assistance, shelter, parenting classes and afterschool activities. The agreement governs fund-raising, development and operations related to the Campus. A separate not-for-profit entity, Legacy Family Campus, Inc., holds title to the common Campus real property. Each agency is required to share in associated maintenance costs. The expenses incurred are paid through endowment fund earnings held by the Charles E. Lakin Campus Foundation. If costs exceed the earnings, assessments for the remaining costs are provided to each agency for payment. Each entity owns its respective buildings and the land upon which they are constructed.