Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Ashland, Nebraska

Consolidated Financial Statements and Supplementary Information
December 31, 2025 and 2024

Together with Independent Auditor's Report

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

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Independent Auditor's Report

To the Board of Directors
Nebraska Lutheran Outdoor Ministries, Inc.
and Affiliate
Ashland, Nebraska:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nebraska Lutheran Outdoor Ministries, Inc., and Affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 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 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 Financial Statements

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

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

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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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information in Exhibit 1 and Exhibit 2 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Omaha, Nebraska
June 11, 2026

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,571,859	$ 3,110,238
Receivables:		
Contributions	261,991	78,617
Bequests	--	445,000
Other	32,834	27,900
Prepaid expenses	59,016	13,552
Inventory	38,453	42,460
Total current assets	3,964,153	3,717,767
Investments	5,501,504	5,017,492
Property and equipment, net	9,652,695	8,449,790
Beneficial interest in perpetual trusts	1,126,312	779,515
Total assets	$ 20,244,664	$ 17,964,564
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 33,047	$ 38,645
Accrued salaries, vacation, and benefits	142,865	124,734
Deferred revenue	175,261	154,752
Total current liabilities	351,173	318,131
Net assets:		
Without donor restrictions:		
Undesignated	8,627,930	8,253,796
Designated by Board for operating reserve	750,659	1,007,565
Designated by Board for endowments	2,689,217	2,461,465
Total without donor restrictions	12,067,806	11,722,826
With donor restrictions	7,825,685	5,923,607
Total net assets	19,893,491	17,646,433
Total liabilities and net assets	$ 20,244,664	$ 17,964,564

See notes to consolidated financial statements

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Consolidated Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Camp fees and retreats	$ 1,329,830	$ --	$ 1,329,830
Individual, group and congregational gifts	1,174,583	2,429,516	3,604,099
In-kind contributions	62,794	--	62,794
Nebraska Synod of the Evangelical Lutheran Church in America	62,328	--	62,328
Investment income, net	458,629	240,992	699,621
Change in value of beneficial interest in perpetual trusts	--	346,797	346,797
Special events	450,380	--	450,380
Store sales and vending	31,568	--	31,568
Rental income	22,441	--	22,441
Gain on sale of property and equipment	8,147	--	8,147
Miscellaneous	219,839	--	219,839
Net assets released from restrictions	1,115,227	(1,115,227)	--
Total revenue and other support	4,935,766	1,902,078	6,837,844
EXPENSES:			
Program services -			
Programs	929,290	--	929,290
Guest services	1,038,655	--	1,038,655
Buildings and grounds	1,181,964	--	1,181,964
Administration	656,253	--	656,253
Fundraising -			
Development	360,154	--	360,154
Marketing	424,470	--	424,470
Total expenses	4,590,786	--	4,590,786
CHANGE IN NET ASSETS	344,980	1,902,078	2,247,058
NET ASSETS, beginning of year	11,722,826	5,923,607	17,646,433
NET ASSETS, end of year	$ 12,067,806	$ 7,825,685	$ 19,893,491

See notes to consolidated financial statements

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Consolidated Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Camp fees and retreats	$ 1,374,826	$ --	$ 1,374,826
Individual, group and congregational gifts	1,187,109	3,410,821	4,597,930
In-kind contributions	88,020	--	88,020
Nebraska Synod of the Evangelical Lutheran Church in America	69,183	--	69,183
Investment income, net	325,613	142,353	467,966
Change in value of beneficial interest in perpetual trusts	--	49,922	49,922
Special events	412,135	--	412,135
Store sales and vending	27,521	--	27,521
Rental income	13,139	--	13,139
Gain on sale of property and equipment	23,854	--	23,854
Miscellaneous	113,307	--	113,307
Net assets released from restrictions	641,159	(641,159)	--
Total revenue and other support	4,275,866	2,961,937	7,237,803
EXPENSES:			
Program services -			
Programs	997,909	--	997,909
Guest services	1,064,853	--	1,064,853
Buildings and grounds	1,096,090	--	1,096,090
Administration	613,029	--	613,029
Fundraising -			
Development	416,194	--	416,194
Marketing	431,447	--	431,447
Total expenses	4,619,522	--	4,619,522
CHANGE IN NET ASSETS	(343,656)	2,961,937	2,618,281
NET ASSETS, beginning of year	12,066,482	2,961,670	15,028,152
NET ASSETS, end of year	$ 11,722,826	$ 5,923,607	$ 17,646,433

See notes to consolidated financial statements

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2025 and 2024

For the year ended December 31, 2025

	PROGRAM SERVICES				FUNDRAISING		
	PROGRAMS	GUEST SERVICES	BUILDINGS AND GROUNDS	ADMINI-STRATION	DEVELOP-MENT	MARKETING	TOTAL
Camper services	$ 154,411	$ 303,473	$ 564	$ 22,845	$ 12,622	$ 18,089	$ 512,004
Contracted services	3,650	--	17,305	106,625	22,380	--	149,960
Depreciation	--	--	450,963	--	--	--	450,963
Dues, fees, and permits	18,956	9,344	1,460	16,261	21,937	10,955	78,913
Employee benefits	173	1,601	--	167,480	--	5,600	174,854
Miscellaneous	19,602	4,948	178	8,656	10,361	762	44,507
Occupancy	--	--	354,445	62,357	--	--	416,802
Payroll taxes	45,957	44,773	19,242	17,889	15,906	15,839	159,606
Postage and printing	30,973	--	--	--	--	33,536	64,509
Repairs and maintenance	--	--	88,275	--	--	--	88,275
Salaries	591,994	613,577	238,961	242,165	251,818	217,003	2,155,518
Supplies	53,211	57,763	--	4,600	442	120,601	236,617
Travel	10,363	3,176	10,571	7,375	24,688	2,085	58,258
Total	$ 929,290	$ 1,038,655	$ 1,181,964	$ 656,253	$ 360,154	$ 424,470	$ 4,590,786

For the year ended December 31, 2024

	PROGRAM SERVICES				FUNDRAISING		
	PROGRAMS	GUEST SERVICES	BUILDINGS AND GROUNDS	ADMINI-STRATION	DEVELOP-MENT	MARKETING	TOTAL
Camper services	$ 207,247	$ 294,056	$ --	$ 22,479	$ 10,013	$ 15,644	$ 549,439
Contracted services	3,846	--	13,149	89,073	39,706	25,000	170,774
Depreciation	--	--	428,295	--	--	--	428,295
Dues, fees, and permits	20,700	26,942	935	11,267	23,229	6,749	89,822
Employee benefits	--	3,961	650	159,560	--	3,050	167,221
Miscellaneous	17,464	7,859	951	8,944	34,343	1,303	70,864
Occupancy	--	--	313,871	58,885	--	--	372,756
Payroll taxes	47,522	43,144	16,027	17,039	17,182	14,956	155,870
Postage and printing	41,970	--	--	--	--	39,659	81,629
Repairs and maintenance	--	--	66,433	--	--	--	66,433
Salaries	591,810	617,577	245,486	235,049	260,288	204,960	2,155,170
Supplies	51,992	67,030	--	3,099	505	118,113	240,739
Travel	15,358	4,284	10,293	7,634	30,928	2,013	70,510
Total	$ 997,909	$ 1,064,853	$ 1,096,090	$ 613,029	$ 416,194	$ 431,447	$ 4,619,522

See notes to consolidated financial statements

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING ACTIVITIES:		
Change in net assets	$ 2,247,058	$ 2,618,281
Adjustments to reconcile the change in net assets to net cash from (used for) operating activities -		
Depreciation	450,963	428,295
Realized and unrealized gain on investments, net	(368,428)	(240,364)
Change in cash surrender value of life insurance policies	(6,415)	(6,711)
Change in value of beneficial interest in perpetual trusts	(346,797)	(49,922)
Contributions restricted for long-term purposes	(1,974,462)	(2,430,998)
Gain on disposal of property and equipment	(8,147)	(23,854)
Change in operating assets and liabilities:		
Receivables:		
Contributions	(183,374)	70,454
Bequests	445,000	(445,000)
Other	(4,934)	1,859
Prepaid expenses	(45,464)	4,960
Inventory	4,007	(7,530)
Accounts payable and other accrued liabilities	(5,598)	(23,085)
Accrued salaries, vacation, and benefits	18,131	31,785
Deferred revenue	20,509	(11,541)
Net cash from (used for) operating activities	242,049	(83,371)
INVESTING ACTIVITIES:		
Proceeds from sale of investments	644,361	190,191
Purchases of investments	(753,530)	(281,177)
Proceeds from sale of property and equipment	8,147	23,854
Purchases of property and equipment	(1,653,868)	(565,609)
Net cash used for investing activities	(1,754,890)	(632,741)
FINANCING ACTIVITIES:		
Contributions restricted for endowment	377,251	14,094
Contributions restricted for fundraising campaign projects	1,597,211	2,416,904
Net cash from financing activities	1,974,462	2,430,998
NET CHANGE IN CASH AND CASH EQUIVALENTS	461,621	1,714,886
CASH AND CASH EQUIVALENTS, beginning of year	3,110,238	1,395,352
CASH AND CASH EQUIVALENTS, end of year	$ 3,571,859	$ 3,110,238

See notes to consolidated financial statements

(1) Organization, Principles of Consolidation and Summary of Significant Accounting Policies

The following indicates principles of consolidation and summary of significant accounting policies of the Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate (together “the Organization”). These policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).

A. Organization and Principles of Consolidation

The financial statements of the Organization include the accounts of the following:

- Nebraska Lutheran Outdoor Ministries, Inc. (NLOM)
- Nebraska Lutheran Outdoor Ministries Foundation, Inc. (Foundation)

NLOM is called by the Nebraska Synod of the Evangelical Lutheran Church in America (Synod) to provide site facilities and programs for the camping and retreating needs of the Synod and its friends. As the camping and retreating ministry of the Synod, the call is to provide a place set apart for people of all ages to grow in Christ.

The Foundation's purpose is to manage and distribute funds, solicited from the statewide Lutheran constituency and the general public, in order to further the services of NLOM.

All significant intercompany accounts and transactions have been eliminated in consolidation.

B. Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with GAAP. Financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions are those net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.
- Net assets with donor restrictions are those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates, or to specified purposes. Other donor imposed restrictions are perpetual in nature that stipulate resources be maintained permanently, but permits the Organization to use or expend part or all of the income (or economic benefits) derived from the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

C. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates, and those difference could be material.

D. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less, excluding cash and cash equivalents held in investments.

E. *Bequests Receivable*

Bequests receivable are acknowledged based upon information provided by trustees of donor estates and are recognized when the Organization is made aware of the promise to give and the fair value of the promise can be estimated. All bequests are expected to be collected within one year. An allowance for doubtful accounts is maintained at a balance which, in the opinion of management, is adequate to reflect bequests receivable at their net realizable value. Bequests receivable are written off when deemed uncollectible. Recoveries of bequests receivable previously written off are recognized when received. No allowances were established at December 31, 2025 and 2024.

The Organization has been named a beneficiary in a number of wills and trust agreements, the assets of which have not been recognized in the accompanying financial statements. Such amounts are recognized when a will is declared valid by probate court, or the rights to the assets otherwise become irrevocable, and the proceeds are measurable.

F. *Other Receivables*

Other receivables primarily consist of amounts due for camp fees and retreats. These receivables are unsecured. The Organization determines and allowance for uncollectible receivables based upon historical experience and an assessment of economic conditions. No allowance was recognized against receivables at December 31, 2025 and 2024.

G. *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 income/(loss) 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.

H. *Property and Equipment, Net*

Property and equipment acquisitions are reported at cost. The Organization maintains a capitalization policy of $10,000. Depreciation is computed using the straight-line method based upon useful lives of each class of depreciable asset as follows:

Vehicles	5 years
Equipment and furnishings	3 – 15 years
Building and improvements	5 – 40 years
Challenge course	5 – 20 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are capitalized.

Gifts and transfers of long-lived assets such as land, buildings or equipment are reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts and transfers of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

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, 2025 and 2024.

I. Beneficial Interest in Perpetual Trusts

The Organization has been named as an irrevocable beneficiary of several perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Organization; however, the Organization will never receive the assets of the trusts. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the consolidated statements of activities and a beneficial interest in perpetual trust is recorded in the consolidated statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the consolidated statements of financial position, with trust distributions and changes in fair value recognized in the consolidated statements of activities.

J. Revenue Recognition

Camp fees and retreats are recognized in revenue in the year in which the camp or retreat is held. Amounts received in advance are deferred to the applicable period.

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 initially records unconditional promises to give and subsequently carried 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 Individual, group and congregational gifts revenue in the consolidated statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2025 and 2024, no allowance for uncollectable promises to give was deemed necessary.

All contributions receivable at December 31, 2025 and 2024 are expected to be collected within one year.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

K. In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recognized at the respective fair value of the goods or services received (Note 9). The Organization does not sell donated gifts-in-kind. In addition to in-kind contributions, a number of volunteers contribute significant amounts of time to NLOM and its programs, however, these donated services are not recognized in the financial statements since these services do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recognized at fair value at the date of donation.

L. *Functional Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Expenses are directly allocated to expenses based on the program or activities they support.

M. Income Taxes

NLOM is exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code as a religious organization by virtue of their inclusion in a group exemption ruling issued to the Evangelical Lutheran Church in America.

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. The Foundation has received a determination letter stating 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 tax-exempt status.

Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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.

N. Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025 and 2024, the Organization had approximately $359,000 and $692,000, respectively, in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors supportive of the Organization’s mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

O. Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2025 and 2024 was $17,232 and $19,605, respectively.

P. Subsequent Events

The Organization considered events occurring through June 11, 2026 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

(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 statement of financial position date, comprise the following:

	2025	2024
Financial assets, at year-end:		
Cash and cash equivalents	$ 3,571,859	$ 3,110,238
Receivables:		
Contributions	261,991	78,617
Bequests	--	445,000
Other	32,834	27,900
Investments	5,501,504	5,017,492
Beneficial interest in perpetual trusts	1,126,312	779,515
	10,494,500	9,458,762
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(6,699,373)	(5,144,092)
Investments in perpetual trusts	(1,126,312)	(779,515)
Board designations:		
General endowment	(2,689,217)	(2,461,465)
Total financial assets available for general expenditure	$ (20,402)	$ 1,073,690

The Organization is substantially supported by donor contributions, a significant portion of which require resources to be used in a particular manner or in a future period. Thus, financial assets may not be available for general expenditure within one year. The Board of Directors has designated certain assets for the Organization's general endowment, and although the Organization does not intend to spend from the board designated endowment, these amounts could be made available if necessary.

As part of a liquidity management plan, cash in excess of daily requirements to cover at least two months of budgeted operating expenses is invested in an operating reserve, which amounted to $750,659 and $1,007,565 at December 31, 2025 and 2024, respectively. These funds consist of cash and exchange traded funds investing primarily in U.S. Treasury securities.

(3) Fair Value

Fair Value Hierarchy

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset 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, 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 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 based on the best information available.

The three levels of the fair value hierarchy, and descriptions of the valuation methodologies used, are as follows:

Level 1 inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data.

Level 3 Inputs – Inputs are unobservable for the asset or liability. Therefore, unobservable inputs shall reflect the Organization's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

Cash and cash equivalents – Valued at cost, which approximates fair value.

Fixed income securities – Investments in corporate debt securities, U.S. Treasury securities and other fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices form either markets that are not active or are for the same or similar assets in active markets.

Equity securities – The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

Exchange traded funds– The fair value is based on quoted market prices.

Beneficial interest in perpetual trusts – The fair value of the beneficial interest in perpetual trust is classified as level 3 as the beneficial interest is valued based on the trust's underlying assets held by the third-party trust, which are unobservable to market participants and the Organization will never receive the perpetual trust's assets.

For the years ended December 31, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents (at cost)	$ 185,375	$ --	$ --	$ --
Cash surrender value of life insurance (at cost)	98,924	--	--	--
Fixed income securities	861,988	--	861,988	--
Equity securities	2,175,252	2,175,252	--	--
Exchange traded funds	2,179,965	2,179,965	--	--
Beneficial interest in perpetual trusts	1,126,312	--	--	1,126,312
Total assets at fair value	$ 6,627,816	$ 4,355,217	$ 861,988	$ 1,126,312

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents (at cost)	$ 58,293	$ --	$ --	$ --
Cash surrender value of life insurance (at cost)	92,509	--	--	--
Fixed income securities	899,983	--	899,983	--
Equity securities	1,910,467	1,910,467	--	--
Exchange traded funds	2,056,240	2,056,240	--	--
Beneficial interest in perpetual trusts	779,515	--	--	779,515
Total assets at fair value	$ 5,797,007	$ 3,966,707	$ 899,983	$ 779,515

The following is a reconciliation of the beginning and ending balances of the Organization's beneficial interests in perpetual trusts, measured at fair value on a recurring basis using significant unobservable inputs (Level 3), for the years ended December 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	$ 779,515	$ 729,593
Contributions	225,120	--
Distributions	(38,953)	(29,553)
Share of appreciation of funds	160,630	79,478
Balance at end of year	$ 1,126,312	$ 779,515

(4) Property and Equipment, Net

A summary of property and equipment at December 31, 2025 and 2024, is as follows:

	2025	2024
Land	$ 475,600	$ 475,600
Building and improvements:		
Living Water Retreat Center	407,710	407,710
Monke Lodge	636,302	636,302
Sjogren Center	1,713,151	1,650,926
Swanson Center	4,504,201	4,474,531
Western Town	1,868,241	1,868,241
Bartling Pavilion	134,793	134,793
Hazel Dillon Lodge	2,842,337	2,842,337
Other	4,907,548	4,717,228
Challenge course	248,885	248,885
Equipment and furnishings	723,550	704,035
Vehicles	511,624	478,855
Construction in progress	1,777,972	464,333
Total	20,751,914	19,103,776
Less: Accumulated depreciation	(11,099,219)	(10,653,986)
Total property and equipment, net	$ 9,652,965	$ 8,449,790

Depreciation expense of $450,963 and $428,295 in 2025 and 2024, respectively, is included in the consolidated statements of activities.

Construction in progress consists of costs related to an ongoing capital campaign project which includes a lake reclamation project, improvements to The Grove and other campgrounds. The total cost of the projects is estimated at $6,600,000, with remaining commitments of approximately $1,100,000, and is expected to be completed in various stages from May 2026 to May 2027.

(5) Beneficial Interest in Perpetual Trusts

The Organization has beneficial interests in several perpetual trusts (Trusts). The Trusts provide income distributions to the Organization by the Trusts' executors with no corresponding transfer of trust assets to the Organization. Distributions from the Trusts to the Organization amounted to $38,953 and $29,553 for the years ended December 31, 2025 and 2024, respectively, and are included in investment income in the consolidated statements of activities. The assets of the Trusts, comprised primarily of ELCA Endowment Pooled Trust investments in 2025 and 2024 are held in trust in perpetuity. Accordingly, the Organization has reported its beneficial interest in the fair market value of the Trusts as restricted support in the accompanying financial statements.

(6) Deferred Revenue

Deferred revenue at December 31, 2025 and 2024, consists of the following:

	2025	
	January 1	**December 31**
Retreat fees	$ 146,032	$ 165,396
Camp fees	8,720	9,865
	$ 154,752	$ 175,261

	2024	
	January 1	**December 31**
Retreat fees	$ 153,328	$ 146,032
Camp fees	12,965	8,720
	$ 166,293	$ 154,752

(7) Net Assets With Donor Restrictions

The following is a roll-forward of net assets with donor restrictions, excluding those with perpetuity restrictions, for the years ended December 31, 2025 and 2024:

	December 31, 2024	**Contributions, Investment Income**	**Restrictions Released**	**December 31, 2025**
Subject to expenditure for specified purpose:				
Sustainting Sacred Spaces	$ 2,931,728	$ 1,597,211	$ (181,584)	$ 4,347,355
Facilities and Maintenance	385,517	219,674	(140,567)	464,624
Seminary Scholarship	324,427	67,461	--	391,888
Special Populations	61,164	4,906	--	66,070
Sullivan Hills	10,000	12,000	(10,000)	12,000
SMT Salaries	20,000	--	(20,000)	--
Gala	--	5,000	--	5,000
Capital Administration	--	187,234	(187,234)	--
	3,732,836	2,093,486	(539,385)	5,286,937
Subject to the passage of time:				
Camp Scholarships	41,600	--	(41,600)	--
Bequests	445,000	--	(445,000)	--
	486,600	--	(486,600)	--
Subject to endowment spending policy and appropriation:				
Endowments - Undistributed Earnings	200,729	199,771	(89,242)	311,258
Total net assets with donor restrictions, excluding those with perpetuity restrictions	$ 4,420,165	$ 2,293,257	$ (1,115,227)	$ 5,598,195

	December 31, 2023	Contributions, Investment Income	Restrictions Released	December 31, 2024
Subject to expenditure for specified purpose:				
Sustainting Sacred Spaces	$ 592,496	$ 2,416,904	$ (77,672)	$ 2,931,728
Facilities and Maintenance	303,224	147,371	(65,078)	385,517
Seminary Scholarship	241,535	82,892	--	324,427
Technology Project	16,562	--	(16,562)	--
Special Populations	56,354	4,810	--	61,164
Sullivan Hills	5,270	10,485	(5,755)	10,000
Equine Program	20,795	--	(20,795)	--
SMT Salaries	25,000	20,000	(25,000)	20,000
Gala	1,250	--	(1,250)	--
Carol Joy Holling Camp	25,000	--	(25,000)	--
Golf Tournament	3,000	--	(3,000)	--
Capital Administration	--	289,028	(289,028)	--
	1,290,486	2,971,490	(529,140)	3,732,836
Subject to the passage of time:				
Camp Scholarships	89,200	--	(47,600)	41,600
Bequests	--	445,000	--	445,000
	89,200	445,000	(47,600)	486,600
Subject to endowment spending policy and appropriation:				
Endowments - Undistributed Earnings	142,558	122,590	(64,419)	200,729
Total net assets with donor restrictions, excluding those with perpetuity restrictions	$ 1,522,244	$ 3,539,080	$ (641,159)	$ 4,420,165

Net assets with donor restrictions also have been restricted by donors to be maintained in perpetuity. Net assets of the Organization with perpetuity restrictions at December 31, 2025 and 2024 are restricted to:

	2025	2024
Endowments:		
NLOM general endowment	$ 109,457	$ 109,457
Sullivan Hills endowment	267,002	267,002
Fenster Sullivan Hills Campership Fund endowment	20,000	20,000
O'Connor endowment	10,000	10,000
Jay Novicki program endowment	46,395	46,395
Dave and Karen Coker Campership Fund endowment	40,975	40,975
Meyer Family Campership Fund	35,455	35,455
Hauptmeier Endowment Fund	30,000	30,000
Cecil and Dr. Loseka Bykerk Endowment Fund	60,000	60,000
Paul and Kathy Ahrendt Endowment Fund	370,958	47,050
Dempsey Ankerson Memorial Endowment Fund	80,063	57,593
Nancy Custard Campership Fund	30,873	--
	1,101,178	723,927
Perpetual trusts:		
Hansen Living Memorial endowment	191,721	170,611
R. Lohmeyer Memorial endowment	236,376	210,349
A. Lohmeyer Memorial endowment	95,967	85,400
Wallander Memorial endowment	284,361	26,977
Hartung Memorial endowment	49,097	43,691
Harlan G. Syring Memorial endowment	144,513	128,601
R. Miller endowment	18,054	16,066
Wilson & Lillian Schollman endowment	106,223	97,820
	1,126,312	779,515
Total net assets with perpetuity restrictions	$ 2,227,490	$ 1,503,442

(8) Endowment

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted April 4, 2007. NUPMIFA sets out guidelines to be considered when managing and investing donor restricted endowment funds. The Organization applies the provisions of FASB ASC Topic 958, Subtopic 205 related to accounting and disclosing endowments.

The Organization's endowment consists of various individual funds and interests in irrevocable trusts established for a variety of purposes. Its endowment includes donor restricted and board designated endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Organization has interpreted 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 Organization retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is 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.

Endowment net asset composition consists of the following as of December 31, 2025 and 2024:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	$ 2,689,217	$ --	$ 2,689,217
Donor restricted endowment funds	--	1,412,436	1,412,436
	$ 2,689,217	$ 1,412,436	$ 4,101,653

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	$ 2,461,465	$ --	$ 2,461,465
Donor restricted endowment funds	--	924,656	924,656
	$ 2,461,465	$ 924,656	$ 3,386,121

Changes in endowment net assets for the year ended December 31, 2025 and 2024 is as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2024	$ 2,461,465	$ 924,656	$ 3,386,121
Additions to endowment	--	377,251	377,251
Investment return:			
Interest and dividends	105,840	89,242	195,082
Net appreciation	227,752	110,529	338,281
Total investment return	333,592	199,771	533,363
Appropriation of endowment assets for expenditure	(105,840)	(89,242)	(195,082)
Endowment net assets, December 31, 2025	$ 2,689,217	$ 1,412,436	$ 4,101,653

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2023	$ 2,297,375	$ 852,391	$ 3,149,766
Additions to endowment	25,025	14,094	39,119
Investment return:			
Interest and dividends	99,257	64,419	163,676
Net appreciation	139,065	58,171	197,236
Total investment return	238,322	122,590	360,912
Appropriation of endowment assets for expenditure	(99,257)	(64,419)	(163,676)
Endowment net assets, December 31, 2024	$ 2,461,465	$ 924,656	$ 3,386,121

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which is consistent with the level of risk undertaken. Endowment assets are invested in a well-diversified asset mix, which follow the following guidelines:

Equity securities	30% - 70%
Fixed income securities	25% - 60%
Real assets	5% - 30%
Alternative investments	0% - 20%

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The Organization has a policy of appropriating for distribution each year a target of 5% of the previous year's average of quarterly values of both restricted and unrestricted funds. Over the long-term, the net investment return of the portfolio plus net fundraising dollars is expected to be greater than the amount distributed, with the excess return being reinvested. The Organization expects the reinvested portion to be sufficient to cover expected future inflation and investment management fees so that the real value of the Organization's assets is preserved and increased over time.

(9) In-Kind Contributions

For the year ended December 31, 2025 and 2024, in-kind contributions recognized within the consolidated statements of activities included the following:

	2025	2024
Horse boarding	$ 42,094	$ 66,395
Professional fees	18,500	18,420
Supplies	2,200	3,205
Total	$ 62,794	$ 88,020

Horses are boarded with numerous individuals during portions of the year when the horses are not utilized for camp activities. Horse boarding services are used in program services and are recognized at fair value based on daily market rates for such services.

Contributed professional fees are provided by the Organization's volunteer chief financial officer who advises the Organization on various accounting and reporting matters throughout the year. Contributed professional fees are used for management and general activities and are recognized at fair value based on time spent using current rates for similar accounting services.

Contributed supplies and other services are valued using estimated market prices of identical or similar products or services considering the goods' condition and utility for use at the time of the contribution. Contributed supplies and other services are used in program services.

All gifts-in-kind received during the years ended December 2025 and 2024 were included as net assets without donor restrictions.

(10) Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act provided an employee retention credit (the credit) which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 and the American Rescue Plan act of 2021 expanded the availability of the credit, extended the credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at $7,000 per quarter. As a result of the changes to the credit, the maximum credit per employee increased from $10,000 in 2020 to $21,000 in 2021.

During the year ended December 31, 2025, the Organization received $212,278 related to the credit and accrued interest which was included in the consolidated statement of activities as miscellaneous income.

Filings related to the credit remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates through 2027. Any disallowed claims resulting from an examination could be subject to repayment to the federal government.

Consolidating Statement of Financial Position
December 31, 2025
See Independent Auditor's Report

	NLOM	Foundation	Eliminations	Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,550,327	$ 21,532	$ --	$ 3,571,859
Receivables:				
Contributions	261,991	--	--	261,991
Other	32,834	--	--	32,834
Prepaid expenses	59,016	--	--	59,016
Inventory	38,453	--	--	38,453
Total current assets	3,942,621	21,532	--	3,964,153
Investments	750,659	4,750,845	--	5,501,504
Property and equipment, net	9,652,695	--	--	9,652,695
Beneficial interest in perpetual trusts	106,223	1,020,089	--	1,126,312
Total assets	$ 14,452,198	$ 5,792,466	$ --	$ 20,244,664
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and other accrued liabilities	$ 33,047	$ --	$ --	$ 33,047
Accrued salaries, vacation, and benefits	142,865	--	--	142,865
Deferred revenue	175,261	--	--	175,261
Total current liabilities	351,173	--	--	351,173
Net assets:				
Without donor restrictions				
Undesignated	8,415,157	212,773	--	8,627,930
Designated by Board for operating reserve	750,659	--	--	750,659
Designated by Board for endowments	--	2,689,217	--	2,689,217
Total without donor restrictions	9,165,816	2,901,990	--	12,067,806
With donor restrictions	4,935,209	2,890,476	--	7,825,685
Total net assets	14,101,025	5,792,466	--	19,893,491
Total liabilities and net assets	$ 14,452,198	$ 5,792,466	$ --	$ 20,244,664

Nebraska Lutheran Outdoor Ministries, Inc. and Affiliate **Exhibit 2**

Consolidating Statement of Activities - Net Assets Without Donor Restrictions
For the Year Ended December 31, 2025
See Independent Auditor's Report

	NLOM	Foundation	Eliminations	Consolidated
REVENUE AND OTHER SUPPORT:				
Camp fees and retreats	$ 1,329,830	$ --	$ --	$ 1,329,830
Individual, group and congregational gifts	1,174,583	--	--	1,174,583
In-kind contributions	62,794	--	--	62,794
Nebraska Synod of the Evangelical Lutheran Church in America	62,328	--	--	62,328
Investment income	142,383	316,246	--	458,629
Special events	450,380	--	--	450,380
Store sales and vending	31,568	--	--	31,568
Rental income	22,441	--	--	22,441
Gain on sale of property and equipment	8,147	--	--	8,147
Miscellaneous	219,839	--	--	219,839
Net assets released from restrictions	984,385	130,842	--	1,115,227
Total revenue and other support	4,488,678	447,088	--	4,935,766
EXPENSES:				
Program services -				
Program	929,290	--	--	929,290
Guest services	1,038,655	--	--	1,038,655
Buildings and grounds	1,181,964	--	--	1,181,964
Administration	652,904	3,349	--	656,253
Fundraising -				
Development	357,976	2,178	--	360,154
Marketing	424,470	--	--	424,470
Total expenses	4,585,259	5,527	--	4,590,786
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(96,581)	441,561	--	344,980
TRANSFERS (TO) FROM AFFILIATE	243,481	(243,481)	--	--
NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year	9,018,916	2,703,910	--	11,722,826
NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year	$ 9,165,816	$ 2,901,990	$ --	$ 12,067,806