Together, Inc. of Metropolitan Omaha

Consolidated Financial Statements
December 31, 2022 and 2021

Together with Independent Auditor's Report

Together, Inc. of Metropolitan Omaha

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Independent Auditor's Report

To the Board of Directors of
Together, Inc. of Metropolitan Omaha
Omaha, Nebraska

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Together, Inc. of Metropolitan Omaha (the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization as of and for the year ended December 31, 2021 were audited by Seim Johnson, LLP, who joined Eide Bailly LLP on July 25, 2022, and whose report dated June 7, 2022, contained an unmodified opinion on those statements and contained an opinion that the accompanying supplementary information as and for the year ended December 31, 2021, was fairly stated in all material respects in relation to the 2021 financial statements as a whole.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Eide Bailly LLP

Omaha, Nebraska,
June 28, 2023.

Together, Inc. of Metropolitan Omaha

Consolidated Statements of Financial Position
December 31, 2022 and 2021

		2022	2021
ASSETS			
Cash	$	3,144,224	1,144,331
Grants receivable		209,271	425,342
Contributions receivable		185,000	550,000
Prepaid expenses		102,394	62,326
Investments		701,644	807,255
Property and equipment, net		6,210,603	6,237,042
Total assets	$	10,553,136	9,226,296
LIABILITIES AND NET ASSETS			
Liabilities:			
Line of credit	$	1,902,562	1,912,562
Accounts payable		121,914	38,635
Accrued expenses		193,830	170,211
Refundable advance		578,506	--
Total liabilities		2,796,812	2,121,408
Net assets:			
Without donor restrictions			
Undesignated		3,420,024	4,635,852
Board designated		701,644	807,255
Total without donor restrictions		4,121,668	5,443,107
With donor restrictions		3,634,656	1,661,781
Total net assets		7,756,324	7,104,888
Total liabilities and net assets	$	10,553,136	9,226,296

See notes to consolidated financial statements

Together, Inc. of Metropolitan Omaha

Consolidated Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUES:						
Program support:						
Contributions	$ 13,137,408	2,134,656	15,272,064	4,854,723	1,661,781	6,516,504
Government grants	769,081	--	769,081	1,074,552	--	1,074,552
In-kind support	7,182,829	--	7,182,829	5,554,592	--	5,554,592
Total program support	21,089,318	2,134,656	23,223,974	11,483,867	1,661,781	13,145,648
Gross special events revenue	160,215	--	160,215	144,439	--	144,439
Less cost of direct benefits to donors	(35,720)	--	(35,720)	(30,112)	--	(30,112)
Net special events revenue	124,495	--	124,495	114,327	--	114,327
Net assets released from restrictions	1,661,781	(1,661,781)	--	717,164	(717,164)	--
Total operating support and revenues	22,875,594	472,875	23,348,469	12,315,358	944,617	13,259,975
OPERATING EXPENSES:						
Program	21,445,916	--	21,445,916	8,821,634	--	8,821,634
Management and general	776,645	--	776,645	667,693	--	667,693
Fundraising	376,847	--	376,847	339,790	--	339,790
Total operating expenses	22,599,408	--	22,599,408	9,829,117	--	9,829,117
CHANGE IN NET ASSETS FROM OPERATIONS	276,186	472,875	749,061	2,486,241	944,617	3,430,858
NET INVESTMENT INCOME	(97,625)	--	(97,625)	92,398	--	92,398
CHANGE IN NET ASSETS	178,561	472,875	651,436	2,578,639	944,617	3,523,256
NET ASSET TRANSFER (See Note 7)	(1,500,000)	1,500,000	--	--	--	--
NET ASSETS, beginning of year	5,443,107	1,661,781	7,104,888	2,864,468	717,164	3,581,632
NET ASSETS, end of year	$ 4,121,668	3,634,656	7,756,324	5,443,107	1,661,781	7,104,888

See notes to consolidated financial statements

Together, Inc. of Metropolitan Omaha

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 651,436	3,523,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	241,086	158,371
Realized and unrealized loss (gain) on investments, net	112,654	(71,444)
Forgiveness of Paycheck Protection Program loan	--	(255,914)
Decrease (increase) in assets:		
Grants receivable	216,071	(266,794)
Contributions receivable	365,000	(285,000)
Prepaid expenses	(40,068)	(20,221)
Increase (decrease) in liabilities:		
Accounts payable	83,279	(48,129)
Accrued expenses	(3,225)	26,976
Refundable advance	578,506	--
Net cash provided by operating activities	2,204,739	2,761,101
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(187,803)	(2,387,351)
Purchases of investments	(492,170)	(151,116)
Proceeds from sale of investments	485,127	302,749
Net cash used in investing activities	(194,846)	(2,235,718)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances on line of credit	--	12,562
Payments on line of credit	(10,000)	--
Principal payments on notes payable	--	(2,411)
Net cash (used in) provided by financing activities	(10,000)	10,151
NET INCREASE IN CASH	1,999,893	535,534
CASH, beginning of year	1,144,331	608,797
CASH, end of year	$ 3,144,224	1,144,331
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION:		
Cash paid for interest	$ 100,016	62,943
Accrued purchases of property and equipment	$ 26,844	8,539

See notes to consolidated financial statements

Together, Inc. of Metropolitan Omaha

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services						Supporting Services		
	Nourish - Omaha	Nourish - Council Bluffs	Non-Congregate Shelter	Horizons and Crisis Engagement	Americorps	Total Program Services	Management and General	Fundraising	Total
Client assistance	82,773	70	180,262	10,107,684	8,810	10,379,599	412	--	10,380,011
In-kind assistance	$ 5,931,966	1,212,441	25,150	8,610	--	7,178,167	331	4,331	7,182,829
Salaries	349,734	233,627	728,235	890,752	81,116	2,283,464	352,509	210,896	2,846,869
Payroll taxes and benefits	88,478	40,650	149,725	190,752	6,205	475,810	81,904	44,612	602,326
Professional fees	16,014	4,121	252,020	29,913	5,501	307,569	77,545	62,656	447,770
Depreciation and amortization	47,235	4,227	88,147	59,823	--	199,432	25,839	15,815	241,086
Utilities	16,242	21,145	67,741	33,583	--	138,711	25,455	6,611	170,777
Technology	19,437	9,872	32,119	48,512	5,290	115,230	37,428	7,494	160,152
Other	7,358	60,849	3,768	14,185	208	86,368	30,095	9,449	125,912
Repairs and maintenance	15,544	26,748	49,984	8,560	2,541	103,377	14,214	2,448	120,039
Interest	--	--	--	--	--	--	100,016	--	100,016
Insurance	20,410	7,402	21,524	29,040	--	78,376	10,265	6,443	95,084
Supplies and minor equipment	21,364	12,067	21,431	13,633	1,828	70,323	10,239	1,787	82,349
Automobile and trailer	8,153	--	140	11,686	50	20,029	15	--	20,044
Meals and transportation	240	477	1,189	3,178	521	5,605	6,441	916	12,962
Advertising	--	3,747	--	109	--	3,856	3,937	3,389	11,182
	$ 6,624,948	1,637,443	1,621,435	11,450,020	112,070	21,445,916	776,645	376,847	22,599,408

See notes to consolidated financial statements

Together, Inc. of Metropolitan Omaha

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services						Supporting Services		
	Nourish - Omaha	Nourish - Council Bluffs	Non-Congregate Shelter	Horizons and Crisis Engagement	Americorps	Total Program Services	Management and General	Fundraising	Total
In-kind assistance	$ 5,205,140	325,789	--	18,180	--	5,549,109	5,483	--	5,554,592
Salaries	379,666	69,520	5,232	1,003,446	127,088	1,584,952	387,445	226,109	2,198,506
Client assistance	92,683	--	--	894,048	246	986,977	--	--	986,977
Payroll taxes and benefits	76,782	9,356	299	179,784	7,502	273,723	77,649	43,037	394,409
Depreciation and amortization	41,822	--	--	68,262	--	110,084	29,767	18,520	158,371
Utilities	16,351	8,578	--	28,416	35	53,380	22,111	7,058	82,549
Professional fees	15,723	4,461	3,688	6,563	2,232	32,667	34,458	14,086	81,211
Other	9,832	33,481	--	6,394	889	50,596	14,069	15,541	80,206
Interest	--	--	--	66	--	66	62,877	--	62,943
Insurance	15,805	1,078	--	25,896	--	42,779	10,785	6,556	60,120
Repairs and maintenance	14,360	15,076	11	9,222	--	38,669	9,403	2,135	50,207
Supplies and minor equipment	19,640	13,576	--	8,313	2,097	43,626	4,649	1,010	49,285
Technology	9,247	3,029	--	20,956	250	33,482	6,351	2,961	42,794
Automobile and trailer	6,296	125	--	9,028	262	15,711	60	23	15,794
Meals and transportation	395	676	--	482	2,090	3,643	2,084	53	5,780
Advertising	1,574	596	--	--	--	2,170	502	2,701	5,373
	$ 5,905,316	485,341	9,230	2,279,056	142,691	8,821,634	667,693	339,790	9,829,117

See notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

Together, Inc. of Metropolitan Omaha (Together) is incorporated in the State of Nebraska as a not-for-profit organization. Together's mission is to provide emergency resources and navigation to working families in extreme poverty to rebuild housing stability in the greater Omaha, Nebraska area. Together achieves its mission through operation of four programs: Nourish, Non-Congregate Shelter, Horizons (and Crisis Engagement) and Americorps. These programs are targeted to homeless and near homeless individuals and families with a focus on promoting independence.

The vision, through strategic partnerships and collaboration, is to provide an array of support services through case management to move individuals and families from dependency to sustainability and then on to self-sufficiency in an effort to end homelessness in our community. Together values hope, dignity, compassion, excellence, and diversity when serving the individuals and families seen each and every year.

On April 28, 2022, Together formed TIMO Properties, LLC (TIMO) a single member Nebraska limited liability company whose sole member is Together, Inc. of Metropolitan Omaha. TIMO was formed to hold any current and/or future real estate that will be utilized for housing people experiencing homelessness or near homelessness.

The following is a summary of significant accounting policies. These policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).

A. Principles of Consolidation

The consolidated financial statements include the accounts of Together and TIMO because Together has both control and an economic interest in TIMO. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Organization".

B. Basis of Accounting

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

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a building maintenance reserve.

- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization had no net assets with restrictions that are perpetual in nature at December 31, 2022 and 2021.

C. Use of Estimates

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

D. Fair Value Measurements

The Organization applies the provisions included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements.

Fair value is defined as 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. At December 31, 2022 and 2021, there were no nonfinancial items recognized or disclosed at fair value and there were no financial assets or liabilities measured at fair value in the consolidated financial statements on a nonrecurring basis.

E. Cash

Cash for purposes of the consolidated statements of cash flows includes investments with an original maturity of three months or less and excludes cash and cash equivalents included in investments.

F. Grants and Contributions Receivable

Unconditional promises to give, including grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their estimated future cash flows. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. All outstanding grants and contributions receivable are expected to be collected within one year.

The Organization evaluates grants and contributions receivable for collectability at the end of the fiscal year and establishes an allowance for bad debts for all accounts or portions thereof considered uncollectable. No allowance was recorded against grants or contributions receivable at December 31, 2022 or 2021.

G. Investments and Related Revenue

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are measured at fair value in the consolidated statements of financial position. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

H. Property and Equipment, Net

Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

I. Revenue and Revenue Recognition

Unconditional promises to give cash and other assets are reported at fair value at the date the promise 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 records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Indications of intentions to give are not recognized until the cash or other assets are received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

The Organization received cost-reimbursable grant awards of $12,478,286 and $980,255 in 2022 and 2021, respectively. Approximately $173,000 and $170,000 of these awards had not been recognized as of December 31, 2022 and 2021, respectively, because qualifying expenditures had not yet been incurred. Amounts received in advance that were unspent as of December 31, 2022 and 2021 totaled $578,506 and $-0-, respectively, and are reported as a refundable advance on the consolidated statements of financial position.

J. Donor Restricted Contributions

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

K. In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (see Note 9). The Organization does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

L. Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and related benefits and overhead costs based on an estimate of employee time spent. Overhead costs include items such items as depreciation, insurance, and utilities.

M. Advertising Costs

Advertising costs, expensed as incurred, were $11,182 and $5,373 during the years ended December 31, 2022 and 2021, respectively.

N. Income Taxes

Together is organized as a Nebraska nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. TIMO is organized as a single member limited liability company in the state of Nebraska and is considered a disregarded entity for federal income tax purposes. Together is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually. In addition, Together is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Together determined that it 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 Together 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 consolidated 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.

O. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

P. Change in Accounting Principle

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Not-for-profit entities are now required to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities and additional disclosures are required related to the nature of the gifts. The Organization has adjusted the presentation in the consolidated financial statements accordingly. This standard was applied retrospectively to all periods presented. See Note 9 for additional disclosures of the Organization's contributed nonfinancial assets.

Q. Subsequent Events

The Organization evaluated the effects of all subsequent events through June 28, 2023, the date the consolidated financial statements were available to be issued.

(2) Liquidity and Availability

The Organization has an operating reserve fund of $500,691 and $573,897 at December 31, 2022 and 2021, respectively, and a building maintenance reserve fund of $200,953 and $233,358 at December 31, 2022 and 2021, respectively. These funds are designated by the governing body as reserve funds with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. The Organization's target minimum operating reserve fund is equal to five months of average recurring operating costs, which was based on management's judgment about the appropriate amount of funds to have set aside in addition to working capital. The operating and maintenance reserve funds are held in mutual funds or cash equivalents in a segregated bank account or investment fund and are included in investments in the consolidated statements of financial position.

In the event of an unanticipated liquidity need, the Organization has available a $300,000 line of credit (see Note 5).

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The following reflects the Organization's financial assets available for general expenditure within one year of the consolidated statement of financial position date:

	2022	2021
Cash	$ 3,144,224	1,144,331
Grants receivable	209,271	425,342
Contributions receivable	185,000	550,000
Investments	701,644	807,255
Total financial assets available within one year	4,240,139	2,926,928
Less amounts:		
Unavailable to management without Board approval	(701,644)	(807,255)
Total financial assets available to management for general expenditure within one year	$ 3,538,495	2,119,673

(3) Fair Value Measurements

The Organization applies FASB ASC Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. FASB ASC Topic 820 establishes 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 measurements involving significant unobservable inputs (level 3 measurements). The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

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 specified (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 following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value. For the years ended December 31, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Cash equivalents: Valued at cost which approximates fair value.

Mutual funds: Valued at fair value as determined by quoted market prices, which represents the net asset value of shares held at year end.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022 and 2021:

	2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents, at cost	$ --	--	--	46,644
Mutual funds:				
Pooled equity	321,275	--	--	321,275
Fixed income	258,065	--	--	258,065
Alternatives	75,660	--	--	75,660
	$ 655,000	--	--	701,644

	2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents, at cost	$ --	--	--	42,960
Mutual funds:				
Pooled equity	394,155	--	--	394,155
Fixed income	283,146	--	--	283,146
Alternatives	86,994	--	--	86,994
	$ 764,295	--	--	807,255

(4) Property and Equipment, Net

Property and equipment at December 31, 2022 and 2021 consisted of the following:

		2022	2021
Land and improvements	$	336,205	328,530
Building and improvements		6,232,272	6,219,907
Furniture and fixtures		332,938	287,438
Technology and software		120,596	42,234
Vehicles		119,672	119,672
Construction in progress		70,745	--
		7,212,428	6,997,781
Less accumulated depreciation		(1,001,825)	(760,739)
	$	6,210,603	6,237,042

(5) Line of Credit

The Organization has available a revolving line of credit that allows for a maximum borrowing of $300,000. The line of credit is due on demand and bears interest at the U.S. Prime Rate not to be less than 4% (7.50% at December 31, 2022). The line of credit is secured by all business assets. As of December 31, 2022 and 2021, there was $240,000 and $250,000, respectively, outstanding on this agreement.

The Organization has available a revolving line of credit agreement that allows for a maximum borrowing of $1,663,000. The line of credit bears interest at the U.S. Prime Rate not to be less than 3% (7.50% at December 31, 2022) with monthly interest payments through October 2, 2023. All outstanding principal and unpaid interest is due on October 2, 2023. There was $1,662,562 outstanding on this agreement for the years ending December 31, 2022 and 2021.

The agreements require the Organization to comply with certain financial and non-financial covenants.

(6) Board Designated Net Assets

The governing board has designated, from net assets without donor restrictions, the following as of December 31, 2022 and 2021:

		2022	2021
Operating reserve fund	$	500,691	573,897
Building maintenance reserve fund		200,953	233,358
	$	701,644	807,255

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2022 and 2021:

		2022	2021
Time restrictions:			
Contributions receivable for future operations	$	185,000	550,000
Purpose restrictions:			
Crisis engagement		1,171,375	392,230
Noncongregate shelter		1,089,173	--
Nourish (pantry)		570,860	286,031
Homeless prevention		356,196	334,638
Advocacy		92,000	--
Information technology update		88,000	50,000
Other		37,241	3,215
Employee emergency fund		34,000	35,197
Emergency room homeless project		10,811	10,470
	$	3,634,656	1,661,781

In 2022 the Organization transferred $1,500,000 from net assets without donor restrictions to net assets with donor restrictions as the Organization received notification from the donor amending the original grant agreement to restrict the funding to the operations of the noncongregate shelter. This amount is included in the net asset transfer on the consolidated statement of activities for the year ended December 31, 2022.

(8) Retirement Plan

The Organization participates in a multiple-employer 403(b) plan sponsored by an unrelated organization. Employees are eligible for participation upon employment. The Organization may make matching contributions to eligible employees based on a discretionary percentage of the participant's compensation. The Organization made contributions to the plan totaling $2,481 for the year ended December 31, 2022 and did not make any contributions to the plan for the year ended December 31, 2021.

(9) In-Kind Contributions

For the years ended December 31, 2022 and 2021, in-kind contributions recognized within the consolidated statements of activities included the following:

		2022	2021
Professional services	$	4,663	5,483
Food		7,055,160	5,496,035
Supplies and materials		123,006	53,074
	$	7,182,829	5,554,592

Contributed professional services are provided by accounting, technology and other professionals who provide services to the Organization. Contributed professional services are used for management and general and program activities and are recognized at fair value based on current rates for similar services.

Contributed food is valued using an estimated average value per pound. Contributed food is used in program services.

Contributed supplies and materials are valued using estimated United States wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed supplies and materials are used in program services.

All gifts-in-kind received during the years ended December 31, 2022 and 2021 were unrestricted.

(10) Related Party Transactions

During the years ended December 31, 2022 and 2021, the Organization received revenue of approximately $42,000 and $67,000, respectively, from related parties which consist of members of the Board of Directors and their respective companies if significant influence is present.

(11) Conditional Promises to Give

During 2019, the Organization received a $300,000 promise to give which is conditional upon receiving matching contributions. The conditional promise extended through 2022 and required matching contributions of $100,000 in increments of at least $10,000 for each calendar year 2020, 2021 and 2022. The revenue is being recognized as the conditions are met. Contribution revenue of $100,000 was recognized under the agreement in each of the years ended December 31, 2022 and 2021.

During 2021, the Organization received a $450,000 promise to give which is conditional upon receiving matching contributions, and securing a site in Council Bluffs. The conditional promise extends through 2023 and requires matching contributions of $150,000 for each calendar year 2021, 2022 and 2023. Contribution revenue of $150,000 was recognized under the agreement for the years ended December 31, 2022 and 2021.

(12) Risks and Uncertainties

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

The Organization maintains its cash in bank deposit accounts which exceed federal insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2022 and 2021, the Organization had approximately $3,103,000 and $955,000, respectively, in excess of FDIC-insured limits. Management believes the risk relating to these excess deposits is minimal.

(13) Paycheck Protection Program Loan

In April 2020, the Organization was granted a $255,914 loan under the Paycheck Protection Program administered by a Small Business Administration approved lender. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization applied for and received forgiveness of the loan in January 2021. The Organization included the forgiveness of the loan in government grants in the consolidated statement of activities for the year ended December 31, 2021.

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Together, Inc. of Metropolitan Omaha
Omaha, Nebraska:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Together, Inc. of Metropolitan Omaha (the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements which collectively comprise the Organization's basic consolidated financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Organization's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Omaha, Nebraska,
June 28, 2023.

FINANCIAL STATEMENT FINDINGS

<u>Item 2022-001</u>

Financial Statement Preparation

Material Weakness

Criteria: The design or operation of the Organization's internal controls should allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements in the consolidated financial statements on a timely basis.

Condition: The Organization does not have an internal control system designed to provide for the preparation of consolidated financial statements and related financial statement disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cause: The Organization's size and structure does not presently include individuals with the ability to prepare consolidated financial statements and related financial statement disclosures in accordance with GAAP.

Effect: Audit adjusting entries were required to appropriately present the consolidated financial statements and related financial statement disclosures in accordance with GAAP.

Recommendation: Management should maintain a heightened awareness of transactions being reported in their internal financial statements and review internal reporting to ensure that transactions are being recorded in accordance with GAAP.

Views of Responsible Officials: Management acknowledges that audit adjusting entries were required to present the consolidated financial statements and related footnote disclosures in accordance with GAAP. Management presently reviews significant or unusual transactions for appropriate accounting on an ongoing basis during the year. Management will review and modify its internal control processes and procedures, as necessary, to identify potential errors in the internal financial reporting process.