

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 30, 2025

New Issue
Book-Entry Only

S&P Global Ratings "AA-"
See "RATING" herein

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Series 2026 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

\$317,680,000*



VILLAGE OF BOYS TOWN, NEBRASKA REVENUE BONDS (BOYS TOWN PROJECTS) SERIES 2026

Dated: Date of Issuance

Due: July 1, as set forth on inside cover

The Village of Boys Town, Nebraska (the "Issuer"), a village and political subdivision duly organized and validly existing under the laws of the State of Nebraska (the "State"), is issuing the above-referenced bonds (the "Series 2026 Bonds"). The Series 2026 Bonds will be issued pursuant to a resolution passed by the governing body of the Issuer and an Indenture between the Issuer and BOKF, National Association, as trustee (the "Trustee"). Capitalized terms used on this cover page and not defined herein shall have the meanings granted to them in APPENDIX C to this Official Statement. Pursuant to a Loan Agreement between the Issuer and Father Flanagan's Boys' Home, d/b/a Boys Town, a nonprofit corporation (the "Borrower"), the Issuer will loan the proceeds of the Series 2026 Bonds to the Borrower for the purposes of financing (a) the design, building and equipping of new hospital and research facilities and a new or relocated elementary school on the Borrower's main campus, (b) street improvements and related infrastructure improvements to the Borrower's main campus, (c) ancillary improvements to the foregoing, to include sidewalks, trees, recreational improvements, and land improvements, (d) a portion of interest on the Series 2026 Bonds and (e) costs of issuance of the Series 2026 Bonds. The Series 2026 Bonds are payable (except to the extent payable out of the proceeds of insurance, sale and condemnation awards or foreclosure) solely from the revenues derived by the Issuer from the Loan Agreement. Upon issuance, the Series 2026 Bonds will be secured by the Indenture, the Loan Agreement, the Note, and, if necessary, payments to be made by

FATHER FLANAGAN'S FUND FOR NEEDY CHILDREN

a nonprofit corporation (the "Guarantor"), pursuant to the terms of a Guaranty Agreement, dated as of _____, 2026 (the "Guaranty Agreement"), between the Guarantor and the Trustee, with respect to the Series 2026 Bonds.

Interest on the Series 2026 Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2026. Principal of the Series 2026 Bonds is due on July 1, 2055, as set forth on the inside cover of this Official Statement. The Series 2026 Bonds are subject to optional redemption, mandatory redemption in the event of Determination of Taxability, and extraordinary optional redemption prior to maturity as described under the heading "THE SERIES 2026 BONDS—Redemption" in this Official Statement. The Series 2026 Bonds are being issued as Additional Obligations secured on a parity with various obligations previously issued by the Issuer for the benefit of the Borrower. See "DEBT SERVICE REQUIREMENTS" in this Official Statement. See "BONDHOLDERS' RISKS" in this Official Statement for a discussion of the risk factors associated with an investment in the Series 2026 Bonds.

The Series 2026 Bonds are special, limited revenue obligations of the Issuer payable solely from: payments made by the Borrower pursuant to the Loan Agreement and the Note; payments made by the Guarantor pursuant to the Guaranty Agreement; and certain revenues pledged under the Indenture. The Series 2026 Bonds do not constitute a debt or liability of the State or any political subdivision of the State within the meaning of any State constitutional or statutory debt limitation. The Series 2026 Bonds and the interest payable thereon do not, directly or indirectly, obligate the Issuer, the State or any political subdivision of the State to levy any form of taxation therefor or to make any appropriations for the payment of the Series 2026 Bonds. The Series 2026 Bonds do not now and will never constitute a charge against the general credit or taxing powers of the Issuer, the State or any political subdivision of the State.

The Series 2026 Bonds are issuable in fully registered form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of the Series 2026 Bonds will originally be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through DTC participants. Beneficial owners of the Series 2026 Bonds will not receive physical delivery of bond certificates.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

SEE THE INSIDE FRONT COVER FOR A MATURITY SCHEDULE FOR THE SERIES 2026 BONDS

The Series 2026 Bonds are offered in book-entry form when, as and if issued by the Issuer and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to prior sale, subject to withdrawal or modification of the offering without notice, and subject to the approving opinion as to validity and tax exemption by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel to the Issuer. Certain legal matters will be passed on for the Borrower and the Guarantor by the Executive Vice President and General Counsel of the Borrower, Boys Town, Nebraska, and for the Underwriter by Pierson Ferdinand LLP. Delivery of the Series 2026 Bonds in definitive form through DTC is expected on or about _____, 2026.

STIFEL

The date of this Official Statement is _____, 2026.

* Preliminary, subject to change.

\$317,680,000*

**VILLAGE OF BOYS TOWN, NEBRASKA
REVENUE BONDS (BOYS TOWN PROJECTS)
SERIES 2026**

\$317,680,000* % Term Bond due July 1, 2055* Yield % Price % CUSIP[†]

** Preliminary, subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Series 2026 Bonds and neither the Issuer nor the Underwriter nor the Borrower nor the Guarantor makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future.

VILLAGE OF BOYS TOWN, NEBRASKA

Kyle Skartvedt, Chairman
Sara Browne, Trustee
Fr. Jeff Mollner, Trustee
Angela Powers, Trustee
Joe West, Trustee

BORROWER AND GUARANTOR

Rod Kempkes, President and Chief Executive Officer
Bridgette Renbarger, Executive Vice President Finance, Treasurer and Chief Financial Officer
Bridgette Renbarger, Treasurer, Father Flanagan's Fund for Needy Children

COUNSEL TO THE BORROWER AND THE GUARANTOR

Dana Washington, Executive Vice President and General Counsel of the Borrower

BOND COUNSEL

Gilmore & Bell, P.C.
Omaha, Nebraska

TRUSTEE, PAYING AGENT AND REGISTRAR

BOKF, National Association
Lincoln, Nebraska

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

UNDERWRITER'S COUNSEL

Pierson Ferdinand LLP

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower, the Guarantor, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

In making an investment decision with respect to the Series 2026 Bonds, investors must rely on their own examination of the Series 2026 Bonds, the Borrower, the Guarantor, the terms of the offering, and the risks with respect to such an investment. The Series 2026 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, no federal or state securities commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense under applicable law. In connection with the offering of the Series 2026 Bonds, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The information contained in this Official Statement has been furnished by the Borrower, the Guarantor, the Issuer, and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Neither the Issuer, its counsel nor any of its members, agents, employees or representatives have reviewed this Official Statement, or investigated the statements or representations contained herein, except for those statements relating to the Issuer, as applicable, set forth under the captions "**THE ISSUER**" and "**LITIGATION—The Issuer**". Except with respect to the information contained under such captions, neither the Issuer nor any of its members, agents, employees or representatives makes any representations as to the completeness, sufficiency and truthfulness of the statements set forth in this Official Statement.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE INDENTURE OF TRUST ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2026 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH THE SERIES 2026 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2026 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Official Statement, including the Appendices hereto, contains statements which should be considered "forward-looking statements," within the meaning of federal securities laws. These statements refer to possible future events or conditions and are generally identifiable by the words such as "plan," "expect," "estimate," "anticipate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE BORROWER AND THE GUARANTOR DO NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

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\$317,680,000*
VILLAGE OF BOYS TOWN, NEBRASKA
REVENUE BONDS (BOYS TOWN PROJECTS)
SERIES 2026

SUMMARY STATEMENT

This Summary Statement is subject to more complete information contained in this Official Statement. The offering of the Series 2026 Bonds to prospective purchasers is made by means of the entire Official Statement, and no person is authorized to detach this Summary Statement from the entire Official Statement or to otherwise use it without the entire Official Statement. This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. This Official Statement speaks only as of its date, and the information herein is subject to change. Undefined capitalized terms used below are defined in APPENDIX C hereto or elsewhere in this Official Statement.

The Series 2026 Bonds.... The Village of Boys Town, Nebraska (the “**Issuer**”) will issue its Revenue Bonds (Boys Town Projects), Series 2026 (the “**Series 2026 Bonds**”), in the original aggregate principal amount of \$317,680,000*. The Series 2026 Bonds will be issued pursuant to a resolution of the governing body of the Issuer and a Trust Indenture, dated as of _____, 2026 (the “**Indenture**”), between the Issuer and BOKF, National Association (the “**Trustee**”). See “**THE SERIES 2026 BONDS**” in this Official Statement.

Issuer..... The Issuer is a village and political subdivision duly organized and validly existing under the laws of the State of Nebraska (the “**State**”). Under the terms of Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), the Issuer is authorized to issue the Series 2026 Bonds. See “**THE ISSUER**” in this Official Statement.

Use of Proceeds The Issuer will loan the proceeds derived from the sale of the Series 2026 Bonds to Father Flanagan’s Boys’ Home, d/b/a Boys Town, a nonprofit corporation (the “**Borrower**”). The Borrower will use the proceeds of the Series 2026 Bonds to finance (a) the design, building and equipping of new hospital and research facilities and a new or relocated elementary school on the Borrower’s main campus, (b) street improvements and related infrastructure improvements to the Borrower’s main campus, (c) ancillary improvements to the foregoing, to include sidewalks, trees, recreational improvements, and land improvements, (d) a portion of interest on the Series 2026 Bonds and (e) costs of issuance of the Series 2026 Bonds. See “**ESTIMATED SOURCES AND USES OF FUNDS**” in this Official Statement.

Borrower The Borrower is a Nebraska nonprofit corporation. See “**THE BORROWER**” and “**APPENDIX A—THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS**” in this Official Statement.

Guarantor..... The Guarantor is a Nebraska nonprofit corporation that was organized by the Borrower to support the operations of the Borrower. The Borrower is the sole member of the Guarantor. See “**THE GUARANTOR**” and “**APPENDIX A—THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS**” in this Official Statement.

Trustee BOKF, National Association, Lincoln, Nebraska.

Underwriter Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri.

* Preliminary, subject to change.

Form Each series of the Series 2026 Bonds will be registered under a book entry system in the name of The Depository Trust Company (“DTC”) or its nominees. The Series 2026 Bonds will be issued in minimum denominations of \$5,000 and multiples of \$5,000 in excess thereof.

Payment Interest accrues on the Series 2026 Bonds at the rates set forth on the inside front cover pages hereof and interest on the Series 2026 Bonds is scheduled to be paid on January 1 and July 1 of each year, commencing July 1, 2026. Principal of the Series 2026 Bonds will be payable on July 1, 2055 as set forth on the inside front cover of this Official Statement. See “**THE SERIES 2026 BONDS**” in this Official Statement.

Optional Redemption The Series 2026 Bonds are subject to redemption, in whole or in part in increments of \$5,000 prior to maturity at the option of the Issuer and exercised by the Borrower. See “**THE SERIES 2026 BONDS—Redemption**” in this Official Statement.

Mandatory Redemption The Series 2026 Bonds are subject to mandatory redemption in the event of a Determination of Taxability, in whole, at a redemption price equal to the sum of the principal amount of the Outstanding Bonds plus accrued interest on the Series 2026 Bonds, without premium. See “**THE SERIES 2026 BONDS—Redemption**” in this Official Statement.

Acceleration The Series 2026 Bonds are subject to acceleration at the direction of the Trustee upon the occurrence of an event of default under the Loan Agreement, the Indenture, or the related bond documents. See “**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS**” in this Official Statement.

Parity Bonds and Additional Obligations The obligations of the Borrower are payable on parity with its obligations under the following: the Issuer’s Revenue Refunding Bonds (Boys Town Project), Series 2017, dated November 1, 2017 (the “**Series 2017 Bonds**”), originally issued in the aggregate principal amount of \$30,090,000 and Outstanding in the principal amount of \$30,090,000 as of December 15, 2025 and the Issuer’s Revenue and Refunding Bonds (Boys Town Projects), Series 2020, dated October 6, 2020 (the “**Series 2020 Bonds**”); and with the Series 2017 Bonds, the “**Prior Bonds**”), originally issued in the aggregate principal amount of \$55,930,000 and Outstanding in the principal amount of \$55,930,000 as of December 15, 2025). The Borrower may incur Additional Obligations or may request that the Issuer or other governmental entities issue Additional Obligations on a parity with the Series 2026 Bonds and the Prior Bonds, as provided in the Indenture and the Loan Agreement. The Series 2026 Bonds, Prior Bonds, and any Additional Obligations may also be referred to herein as the “**Parity Bonds**.” See “**DEBT SERVICE REQUIREMENTS**,” “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**” and “**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS**” in this Official Statement.

Security for the Series 2026 Bonds **THE SERIES 2026 BONDS ARE NOT GENERAL OBLIGATIONS OF THE STATE OF NEBRASKA (THE “STATE”), THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE AND THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL AMOUNT THEREOF OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE SERIES 2026 BONDS SHALL CONSTITUTE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER. THE SERIES 2026 BONDS SHALL NOT CONSTITUTE OR GIVE RISE TO A**

CHARGE AGAINST THE GENERAL CREDIT, ASSETS, TAXING POWERS OR OTHER REVENUES OF THE STATE OR THE ISSUER.

Pursuant to the terms of a Loan Agreement, dated as of _____, 2026 (the “**Loan Agreement**”), between the Issuer and the Borrower, the Issuer will loan the proceeds derived from the sale of the Series 2026 Bonds to the Borrower and the Borrower will agree to make loan payments in amounts sufficient to pay the principal or redemption price of and interest on the Series 2026 Bonds when due. The rights of the Issuer to receive the loan payments (subject to certain unassigned rights of the Issuer) will be assigned by the Issuer to the Trustee pursuant to the terms of the Indenture.

Pursuant to the Guaranty Agreement, dated as of _____, 2026 (the “**Guaranty Agreement**”), between the Guarantor and the Trustee, the Guarantor has guaranteed prompt payment of the loan payments and other payments required to be made by the Borrower pursuant to the Loan Agreement and the Note to insure that the principal or redemption price of and interest on the Series 2026 Bonds are promptly paid when due. The Guarantor’s obligations to make the loan payments and other payments required of the Borrower under the Loan Agreement are absolute and unconditional without any abatement or diminution thereof. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**” in this Official Statement.

Audited Financial

Information The consolidated financial statements of Father Flanagan’s Boys’ Home includes the financial statements of the Borrower and Guarantor consolidated. The audited consolidated financial statements for the Fiscal Years ended December 31, 2024 and 2023 are included in this Official Statement as APPENDIX B. These are the most recent audited consolidated financial statements available. The consolidated financial statements contained in APPENDIX B have been audited by KPMG LLP, Omaha, Nebraska. The audited consolidated financial statements of Father Flanagan’s Boys’ Home includes consolidating schedules of the Borrower’s and Guarantor’s financial statements which is included for additional analysis. See “**APPENDIX B—CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF FATHER FLANAGAN’S BOYS’ HOME FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023**” in this Official Statement.

Continuing Disclosure

Undertaking Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “**Rule**”), the Borrower and the Guarantor have agreed for the benefit of the registered owners of the Series 2026 Bonds to provide certain financial information, other operating data and notices of material events. See “**CONTINUING DISCLOSURE**,” and “**APPENDIX D—FORM OF CONTINUING DISCLOSURE AGREEMENT**” in this Official Statement.

Delivery Information The Series 2026 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It is expected that delivery of the Series 2026 Bonds will be made on or about _____, 2026 through the facilities of DTC in New York, New York, against payment therefor.

Transaction Participants

and Professionals Gilmore & Bell, P.C., Omaha, Nebraska, is acting as Bond Counsel to the Issuer with respect to the Series 2026 Bonds. Certain legal matters will be passed on for the Borrower and the Guarantor by the Executive Vice President and General Counsel of the Borrower, Boys Town, Nebraska, and for the Underwriter by Pierson Ferdinand LLP. Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, will serve as the Underwriter for the Series 2026 Bonds. See “**UNDERWRITING**” in this Official Statement. BOKF, National Association, Lincoln, Nebraska, will serve as the Trustee for the Series 2026 Bonds.

Certain fees that are payable with respect to the Series 2026 Bonds to various counsel, the Underwriter, and the Trustee are contingent upon the issuance and delivery of the Series 2026 Bonds.

**Additional
Information**

The summaries of or references to constitutional provisions, statutes, ordinances, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Official Statement do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Borrower, Father Flanagan's Boys' Home, 14100 Crawford Street, Boys Town, Nebraska 68010, Telephone: (531) 355-3177 or the Underwriter, Stifel, Nicolaus & Company, Incorporated, Public Finance Director, One Financial Plaza, 10th Floor, St. Louis, Missouri 63102, Telephone: (314) 342-4002.

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SUMMARY FINANCIAL INFORMATION

The following tables set forth a consolidated summary of revenues and expenses of the Borrower and the Guarantor for the Fiscal Years ended December 31, 2023 and 2024, as well as the (unaudited and unreviewed) nine months ended September 30, 2024 and September 30, 2025, and selected consolidated balance sheet information for the Borrower and the Guarantor at December 31, 2023 and 2024, as well as at September 30, 2024 and September 30, 2025 (unaudited and unreviewed). The following information for the fiscal years ended December 31, 2023 and 2024 has been derived from the audited financial statements of the Borrower and the Guarantor and should be read in conjunction therewith, the opinions expressed on the financial statements and related notes appearing in APPENDIX B to this Official Statement. The following information as of and for the nine-month period ended and as of September 30, 2024 and September 30, 2025 has been derived from unaudited financial information of the Borrower and the Guarantor, which, in the opinion of management of the Borrower and the Guarantor, represent a fair presentation of the revenues and expenses and balances for that period and as of that date and are contained in APPENDIX C to this Official Statement. KPMG LLP, independent auditors, has not audited or reviewed the September 30, 2024 and September 30, 2025 information contained below or in APPENDIX C to this Official Statement.

Summary Statement of Revenues and Expenses (in thousands)

	Fiscal Year Ended December 31, 2023 (audited)	Fiscal Year Ended December 31, 2024 (audited)	Nine-Month Period Ended September 30, 2024 (unaudited)	Nine-Month Period Ended September 30, 2025 (unaudited)
Total Revenues	\$625,263	\$610,162	\$444,207	\$453,218
Total Operating Expenses	554,547	567,600	398,505	394,467
Revenue in Excess of Expenses	\$70,716	\$42,562	\$45,702	\$58,751

Selected Balance Sheet Information (in thousands)

	As of December 31, 2023 (audited)	As of December 31, 2024 (audited)	As of September 30, 2024 (unaudited)	As of September 30, 2025 (unaudited)
Cash and Cash Equivalents	\$12,987	\$11,405	\$10,377	\$5,847
Other Current Assets	84,419	90,396	78,306	74,658
Total Current Assets	97,406	101,801	88,683	80,505
Investments and Other Long-Term Assets	1,493,699	1,546,275	1,552,319	1,617,106
Net Property and Equipment	246,732	246,353	244,947	248,950
Total Assets	1,837,837	1,894,429	1,885,949	1,946,561
Total Current Liabilities	67,924	79,341	69,186	73,000
Long-Term Debt	87,919	87,575	87,661	87,073
Total Liabilities	155,843	166,916	156,847	160,073
Total Net Assets	\$1,681,994	\$1,727,513	\$1,729,102	\$1,786,488

The Borrower has a policy to maintain, at any time, a board designated bond repayment fund with an amount equal to the present value of the future maturities of all of the Borrower's Parity Bonds when they come due, assuming an annual return rate of 6%. Such present value is currently \$98 million*, including the estimated present value of the principal amount of the Series 2026 Bonds. The Borrower has maintained and complied with this policy since 2010. While not expected to change, the policy is not legally binding and the bond repayment fund is not legally restricted. In addition, the bond repayment fund is not intended to constitute a debt service reserve fund under federal tax rules.

* Preliminary, subject to change.

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\$317,680,000*
VILLAGE OF BOYS TOWN, NEBRASKA
REVENUE BONDS (BOYS TOWN PROJECTS)
SERIES 2026

INTRODUCTION

The following is a brief introduction as to certain matters discussed elsewhere in this Official Statement and is qualified in its entirety as to such matters by such discussion and the text of the actual documents described or referenced. Any capitalized term not required to be capitalized is used with the meaning assigned in APPENDIX C or in the Indenture (as defined herein), the Loan Agreement (as defined herein) or other document with respect to which the term is used. Definitions contained in the text hereof are for ease of reference only and are qualified in their entirety by the definitions in APPENDIX C or the documents with respect to which such terms relate. The Appendices to this Official Statement are an integral part of this Official Statement and each potential investor should review the Appendices in their entirety.

General

Issuer and Series 2026 Bonds. The Village of Boys Town, Nebraska (the “**Issuer**”) is issuing the Issuer’s Revenue Bonds (Boys Town Projects), Series 2026 (the “**Series 2026 Bonds**”), in the original aggregate principal amount of \$317,680,000*. The Series 2026 Bonds are being issued by the Issuer pursuant to the terms of (i) a resolution duly passed by the governing body of the Issuer adopted December 2, 2025 (the “**Resolution**”) and (ii) a Trust Indenture, dated as of _____, 2026 (the “**Indenture**”), between the Issuer and BOKF, National Association, as trustee, bond registrar and paying agent (the “**Trustee**”). The Issuer is loaning the proceeds of the Series 2026 Bonds to Father Flanagan’s Boys’ Home d/b/a Boys Town, a nonprofit corporation duly organized and validly existing under the laws of the State of Nebraska (the “**Borrower**”), pursuant to a Loan Agreement, dated as of _____, 2026 (the “**Loan Agreement**”), for the purposes of financing (a) the design, building and equipping of new hospital and research facilities and a new or relocated elementary school on the Borrower’s main campus, (b) street improvements and related infrastructure improvements to the Borrower’s main campus, (c) ancillary improvements to the foregoing, to include sidewalks, trees, recreational improvements, and land improvements, (d) a portion of interest on the Series 2026 Bonds and (e) costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds are special, limited revenue obligations of the Issuer payable solely from certain payments to be made by the Borrower under the Loan Agreement, a Promissory Note executed by the Borrower for the benefit of the Issuer (the “**Note**”), and certain other funds held by the Trustee under the Indenture. The Borrower’s payments under the Loan Agreement and the Note are also guaranteed by a Guaranty Agreement, dated as of _____, 2026 (the “**Guaranty Agreement**”), between Father Flanagan’s Fund for Needy Children, a nonprofit corporation duly organized and validly existing under the laws of the State of Nebraska, as guarantor (the “**Guarantor**”) and the Trustee. The Borrower’s payments under the Loan Agreement and the Note are designed to be sufficient, in the aggregate, together with other available funds, to pay when due the principal or redemption price of and interest on the Series 2026 Bonds. Pursuant to the Indenture, the Issuer will assign to the Trustee, for the benefit and security of the registered owners of the Series 2026 Bonds, substantially all of the rights of the Issuer under the Loan Agreement, the

* Preliminary, subject to change.

Note, and the Guaranty Agreement, including all rights to receive payments thereunder. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**” herein.

Parity Debt Obligations

The obligations of the Borrower are on a parity with the Borrower’s obligations related to the Issuer’s Revenue Refunding Bonds (Boys Town Project), Series 2017, dated November 1, 2017 (the “**Series 2017 Bonds**”), originally issued in the aggregate principal amount of \$30,090,000 and Outstanding in the principal amount of \$30,090,000 as of December 15, 2025 and the Issuer’s Revenue and Refunding Bonds (Boys Town Projects), Series 2020, dated October 6, 2020 (the “**Series 2020 Bonds**”; and with the Series 2017 Bonds, the “**Prior Bonds**”), originally issued in the aggregate principal amount of \$55,930,000 and Outstanding in the principal amount of \$55,930,000 as of December 15, 2025). The Borrower may incur Additional Obligations or may request that the Issuer or other governmental entities issue Additional Obligations on a parity with the Series 2026 Bonds and the Prior Bonds, as provided in the Indenture and the Loan Agreement. The Series 2026 Bonds, the Prior Bonds, and any Additional Obligations may also be referred to herein as the “**Parity Bonds**.”

Bondholders’ Risks

Certain risks associated with an investment in the Series 2026 Bonds are discussed under “**BONDHOLDERS’ RISKS**” in this Official Statement.

Special Covenants of the Borrower

The Loan Agreement places certain restrictions on the incurrence of indebtedness by the Borrower. See “**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Loan Agreement**” in this Official Statement. The Borrower has agreed in the Loan Agreement to comply with certain financial covenants and the Borrower and the Guarantor in the Continuing Disclosure Agreement have agreed to provide certain periodic financial reports to the Trustee. See “**CONTINUING DISCLOSURE**,” “**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Loan Agreement**,” and “**APPENDIX D—FORM OF CONTINUING DISCLOSURE AGREEMENT**” in this Official Statement.

Miscellaneous

This Official Statement (including the Appendices hereto) contains descriptions of, among other matters, the Indenture, the Loan Agreement, the Guaranty Agreement, the Issuer, the Borrower’s facilities and operations, and the Series 2026 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references to documents described herein are qualified in their entirety by reference to such documents, copies of which are available for inspection at the designated corporate trust office of the Trustee.

THE ISSUER

The Issuer is a village and political subdivision organized and existing under the laws of the State. The Issuer has duly authorized the issuance, sale and delivery of the Series 2026 Bonds pursuant to the Act by and through its passage of the Resolution.

The Series 2026 Bonds are special, limited revenue obligations of the Issuer. The Series 2026 Bonds are payable solely out of revenues pledged therefor under the Indenture. The Series 2026 Bonds do not constitute a debt, loan, credit or pledge of the faith and credit or taxing power of the Issuer, the State or any political subdivision thereof. The Series 2026 Bonds, and the interest payable thereon, do not, directly or indirectly, obligate the Issuer to levy any form of taxation therefor or to make any appropriations for their payment. The Series 2026 Bonds do not now and will never constitute a charge against the general credit or taxing powers of the Issuer.

The Issuer has previously sold and delivered series of bonds and notes secured by instruments separate and apart from the Indenture and the Loan Agreement, and may in the future sell and deliver other series of bonds and notes secured by instruments separate and apart from the Indenture and the Loan Agreement. The owners of such bonds and notes will have no claim on assets, funds or revenues of the Issuer securing the Series 2026 Bonds and the owners of the Series 2026 Bonds will have no claims on assets, funds or revenues of the Issuer securing such other bonds and notes.

THE BORROWER

Founded in 1917 in Omaha, Nebraska, by Father Edward J. Flanagan, the Borrower is a nonsectarian, nonprofit organization governed by a volunteer Board of Trustees. Today, with an annual operating expenditures budget of approximately \$520 million for 2026 and a supporting trust fund of approximately \$1.1 billion as of December 31, 2024 (audited), the Borrower is internationally recognized as a premier youth treatment provider. The Borrower's mission is to provide housing, care, treatment, support and/or educational services for youths who are at-risk, wayward, troubled, disadvantaged or have otherwise demonstrated communication and learning disabilities, and to equip and prepare them to lead useful lives. Employing approximately 3,400 employees as of December 31, 2024, the Borrower's revenues are derived from contributions, contracts, program service fees and support from the Guarantor. See, "**APPENDIX A—THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS**" in this Official Statement.

THE GUARANTOR

In 1941, the Borrower's Board of Trustees established a "Board-Designated Endowment Fund" (the "**Foundation Fund**"). The Foundation Fund was built largely from wills and bequests donated to the Borrower through the 1940s, 1950s and 1960s.

In 1990, the Borrower's Board of Trustees transferred the assets of the Foundation Fund to a separate entity, currently entitled "Father Flanagan's Fund for Needy Children" (the "**Guarantor**"). The Guarantor was incorporated on January 9, 1990 as a separate nonprofit corporation under the laws of the State, with the Borrower as the sole member and beneficiary of the Guarantor.

The Borrower retains control over the Guarantor through the Articles of Incorporation for the Guarantor, which specify that the Borrower is the sole member of the Guarantor. The Guarantor is currently governed by a 6-member Board of Directors. The sole purpose of the Guarantor is to provide investment growth and income and funds to support the current and future programs of the Borrower. See, "**APPENDIX A—THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS**" in this Official Statement.

THE PROJECT

The Issuer is loaning the proceeds of the Series 2026 Bonds to the Borrower pursuant to the Loan Agreement for the purposes of financing (a) the design, building and equipping of new hospital and research facilities and a new or relocated elementary school on the Borrower's main campus, (b) street improvements and related infrastructure improvements to the Borrower's main campus, (c) ancillary improvements to the foregoing, to include sidewalks, trees, recreational improvements, and land improvements, (d) a portion of interest on the Series 2026 Bonds and (e) costs of issuance of the Series 2026 Bonds.

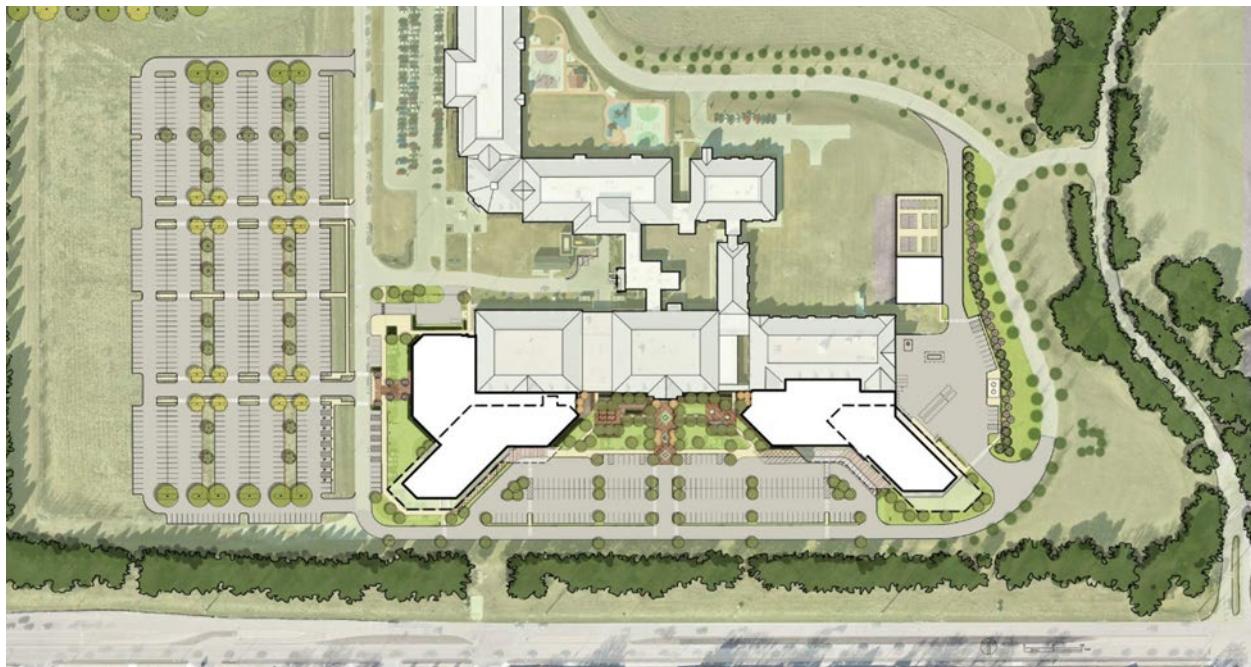
Project Description

The Borrower is undertaking a transformative expansion to advance pediatric healthcare and research. The estimated project budget of \$293 million includes construction of two new four-story wings totaling approximately 257,000 square feet, with 135,000 square feet dedicated to state-of-the-art hospital facilities and 122,000 square feet for advanced research laboratories and clinical spaces. This integrated design will bring clinicians and researchers together to accelerate breakthroughs in neuroscience, communication disorders, behavioral health, and other pediatric specialties. The expansion will enhance inpatient and surgical capacity, improve family-centered care environments, and strengthen Boys Town's position as a national leader in pediatric medicine. Groundbreaking occurred in November 2025, with completion anticipated in 2028. The principal participants in the project include JE Dunn, serving as the general contractor; HDR, acting as the architect; and Turner & Townsend, engaged as the project manager.

The following includes a rendering of the expansion wings for the new hospital facility:



The following rendering depicts the footprints of the expansion wings for the new hospital facility:



ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Par Amount of Series 2026 Bonds	\$ _____
Net Original Issue [Discount/Premium]	_____
Total Sources of Funds	\$ _____

Uses of Funds

Deposit to Project Fund	\$ _____
Costs of Issuance and Miscellaneous Costs ⁽¹⁾	_____
Total Uses of Funds	\$ _____

(1) Includes Underwriter's commission/discount/fee; fees and expenses of Bond Counsel, and counsel for the Borrower and Guarantor; Trustee's fees, accountant's fees; printing costs; fees of the Rating Agency; and other miscellaneous costs and related expenses.

THE SERIES 2026 BONDS

The Series 2026 Bonds will initially be issued in fully registered, book-entry form, in denominations of \$5,000 or any integral multiple thereof, will have a date of original issue (the "Date of Original Issue") of the date of delivery thereof, will bear interest from the Date of Original Issue payable semiannually on January 1 and July 1 of each year, commencing July 1, 2026, and will mature on July 1, 2055, and will bear interest at the rates (calculated on the basis of a 360-day year consisting of twelve, 30-day months) as set forth on the inside front cover page of this Official Statement. Each installment of

interest (except the final interest installment) shall be payable by check or draft mailed by the Trustee on the due date thereof (or on the next business day if such due date falls on a Saturday, Sunday or bank holiday applicable to the Trustee) to the registered owner of a Series 2026 Bond as shown on the Series 2026 Bond registration records of the Issuer maintained by the Trustee as of the Record Date (as hereinafter defined) therefor. The principal of each Series 2026 Bond, and the final installment of interest thereon, shall be payable only upon the surrender of such Series 2026 Bond to the Trustee. The “**Record Date**” for each installment of interest shall be the 15th day (whether or not a business day) next preceding such interest payment date.

Book-Entry System

General. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2026 Bonds. The ownership of one fully registered Series 2026 Bond for each maturity, as set forth on the inside front cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as the nominee for DTC. Ownership interests in the Series 2026 Bonds will be available to purchasers only through a book-entry system maintained by DTC (the “**Book-Entry System**”). A description of DTC, the Book-Entry System and definitions of initially capitalized terms used under this heading are found in “**APPENDIX E—BOOK-ENTRY ONLY SYSTEM**” to this Official Statement.

Risk Factors. Beneficial Owners of the Series 2026 Bonds may experience some delay in their receipt of distributions of the principal or redemption price of and interest on the Series 2026 Bonds because such distributions will be forwarded by the Trustee to DTC, credited by DTC to its Direct Participants, and then credited to the accounts of the Beneficial Owners either directly or indirectly through Indirect Participants.

Because transactions in the Series 2026 Bonds can only be effected through DTC, DTC Participants and certain banks, the ability of a Beneficial Owner to pledge Series 2026 Bonds to persons or entities that do not participate in the Book-Entry System, or otherwise to take actions in respect of such Bonds, may be limited due to the lack of physical certificates. Beneficial Owners will not be recognized by the Trustee as registered owners for purposes of the Resolution and the Indenture, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and DTC Participants.

Redemption

Optional Redemption. The Series 2026 Bonds are subject to optional redemption in whole or in part in increments of \$5,000 prior to maturity thereof at the option of the Issuer, which shall be deemed exercised at the written direction of the Borrower, at any time on or after _____, 20____, at par plus accrued interest to the date fixed for redemption.

Extraordinary-Optional Redemption. The Series 2026 Bonds are subject to redemption and payment prior to the stated maturity thereof, at the option of the Issuer, which shall be exercised upon written direction from the Borrower, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, upon the occurrence of any of the following events:

- (i) all or a substantial portion of the facilities financed or refinanced with the proceeds of the Series 2026 Bonds are damaged or destroyed by fire or other casualty, or title to, or the temporary use of, all or a substantial portion of such facilities are condemned or taken for any public or quasi-public use by any authority exercising the power of eminent domain or title thereto is found to be deficient, to such extent that in the determination of the Borrower (a) such facilities

cannot be reasonably restored or replaced to the condition thereof preceding such event, (b) the Borrower is thereby prevented from carrying on its normal operations of such facilities, or (c) the cost of restoration or replacement thereof would exceed the net proceeds of any casualty insurance, title insurance or condemnation awards with respect thereto; or

(ii) as a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final direction, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Indenture, the Loan Agreement, or the Note become void or unenforceable or impossible of performance; or

(iii) the Borrower is required or ordered, by legislative, judicial or administrative action of the United States of America or the State, or any agency, department or subdivision thereof, to operate the facilities financed or refinanced with the proceeds of the Series 2026 Bonds in a manner inconsistent with the stated goals, purposes and policies of the Borrower, including without limitation its goals, purposes and policies with respect to its primary operations, and such legislative, judicial or administrative action is applicable to the Borrower because the Borrower is a party to the Loan Agreement or the Note; or

(iv) if (a) the Borrower determines in good faith that continued operation of the facilities financed or refinanced with the proceeds of the Series 2026 Bonds, or any substantial part thereof, is not financially feasible or is otherwise disadvantageous to the Borrower, (b) as a result thereof, the Borrower sells, leases or otherwise disposes of, or changes or allows a change in the use of, all of such facilities or any substantial part thereof, to a person or entity unrelated to the Borrower; and (c) there is delivered to the Issuer and the Trustee an opinion of bond counsel nationally recognized in the field of tax-exempt financing to the effect that, unless the Series 2026 Bonds or a specified part thereof are redeemed and retired either prior to or concurrently with such sale, lease or other disposition, or change in use, or on a subsequent date prior to maturity, bond counsel is unable to render an unqualified opinion that such sale, lease or other disposition, or change in use, of all or such substantial portion of such facilities will not adversely affect the excludability from gross income, for federal income tax purposes, of the interest on the Series 2026 Bonds.

Redemption in Event of Taxability. If an Event of Taxability occurs with respect to the Series 2026 Bonds, all of the Series 2026 Bonds then Outstanding shall be called for redemption and payment on a redemption date to be established by the Trustee as soon as practicable after the Trustee receives written notice of such Event of Taxability, at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest thereon to the redemption date.

Selection by Trustee of Series 2026 Bonds to be Redeemed. The Series 2026 Bonds may be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If less than all Series 2026 Bonds are to be redeemed and paid prior to maturity, such Series 2026 Bonds shall be redeemed from the maturity or maturities selected by the Borrower. If less than all of a series of Series 2026 Bonds of any maturity are to be redeemed, the particular Series 2026 Bonds to be redeemed shall be selected by the Trustee from the Series 2026 Bonds of such maturity that have not previously been called for redemption, by such method as the Trustee shall deem fair and appropriate and that may provide for the selection for redemption of portions equal to \$5,000 (or other minimum authorized denomination of the Series 2026 Bonds of such series) of the principal of Series 2026 Bonds of a denomination larger than \$5,000 (or such other minimum authorized denomination).

Notice of Redemption. Unless waived by a registered owner of any Series 2026 Bond to be redeemed, the Trustee shall give notice of any redemption, on behalf of the Issuer, by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the redemption date to the registered owner of each Series 2026 Bond to be redeemed, at the address shown on the Series 2026 Bond register. The failure to give notice to a registered owner of any Series 2026 Bond to be redeemed, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2026 Bonds for which notice has been properly received by the registered owner thereof. Any notice mailed as provided above shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not the registered owner of the Series 2026 Bond to be redeemed actually receives the notice.

So long as the Series 2026 Bonds are being held in book-entry format by DTC, the Trustee shall provide the notices specified herein to DTC, or its nominee, Cede & Co. It is expected that DTC will, in turn, notify DTC Participants and that DTC Participants will, in turn, notify the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or any failure on the part of a nominee of a Beneficial Owner of a Series 2026 Bond (having been mailed notice from the Trustee, DTC, a DTC Participant or otherwise) to notify the Beneficial Owner of the Series 2026 Bond so affected, shall not affect the validity of the redemption of the affected Series 2026 Bond.

Registration, Transfer and Exchange

The Series 2026 Bonds will be issued in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Series 2026 Bonds will be issued in fully registered form, and each Series 2026 Bond will be registered in the name of the owner thereof on the registration books maintained by the Trustee. So long as the Series 2026 Bonds are held in book-entry only form through DTC, transfers of the Series 2026 Bonds may only be made as described in APPENDIX E hereto. At any other time, the Series 2026 Bonds may be transferred or exchanged only upon the Series 2026 Bond register maintained by the Trustee. The Series 2026 Bonds are transferable by the registered owner thereof or by such registered owner's attorney duly authorized in writing upon presentation thereof at the principal corporate trust office of the Trustee. Any Series 2026 Bond may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Series 2026 Bonds of the same maturity of other authorized denominations. The Trustee and the Issuer may charge a fee covering taxes and other governmental charges in connection with any exchange, change in registration or transfer of any Series 2026 Bond. The Trustee shall not be required to register the transfer of or exchange of any Series 2026 Bond that has been called or selected for call for redemption or during the period of fifteen (15) days next preceding the first mailing of notice of redemption.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2026 Bonds, but neither the failure to print those numbers on the Series 2026 Bonds, nor any error in the printing of those numbers, will constitute cause for the purchaser thereof to refuse delivery thereof or payment therefor.

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be issued under and equally and ratably secured by the Indenture, which will assign and pledge to the Trustee (i) substantially all of the Issuer's rights under the Loan Agreement, including the right to receive all revenue and receipts receivable by the Issuer therefrom (except for certain fees, expenses, advances, any indemnity payments payable to the Issuer, and any rebate payments payable to the United States of America), (ii) the Note, and (iii) certain funds and accounts, including the money and investments therein, which the Trustee holds under the terms of the Indenture. The Note constitutes an unconditional promise by the Borrower to pay amounts sufficient to pay the principal or redemption price of and interest on the Series 2026 Bonds.

Special, Limited Obligations

THE SERIES 2026 BONDS ARE SPECIAL, LIMITED REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT AND THE NOTE, PAYMENTS MADE BY THE GUARANTOR PURSUANT TO THE GUARANTY AGREEMENT, AND CERTAIN REVENUES PLEDGED UNDER THE INDENTURE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE SERIES 2026 BONDS AND THE INTEREST PAYABLE THEREON DO NOT, DIRECTLY OR INDIRECTLY, OBLIGATE THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATIONS FOR THEIR PAYMENT. THE SERIES 2026 BONDS DO NOT NOW AND WILL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

The Indenture

Pledge and Assignment. Pursuant to the Indenture, the Issuer will pledge and assign to the Trustee, for the benefit of the registered owners of each series of the Series 2026 Bonds, (i) substantially all of its rights under the Loan Agreement, including the right to receive all revenue and receipts receivable by the Issuer therefrom (except for certain fees, expenses, advances, any indemnity payments payable to the Issuer, and any rebate payments payable to the United States of America), (ii) the Note, and (iii) certain funds and accounts, including the money and investments therein, which the Trustee holds under the terms of the Indenture as security for the payment of the principal of and interest on the Series 2026 Bonds. See "**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Indenture**" to this Official Statement.

The Loan Agreement

Loan Payments and Other Payments. Pursuant to the Loan Agreement, the Borrower is required to make loan payments to the Trustee for deposit into the debt service fund established for the Series 2026 Bonds in amounts sufficient to pay the principal of and interest on the Series 2026 Bonds when due ten business days prior to the due date thereof. The Borrower's obligations to make the loan payments and to pay other amounts under the Loan Agreement are absolute and unconditional without any abatement or diminution thereof. According to the terms of the Loan Agreement, the Borrower will execute and deliver to the Issuer the Note, evidencing the loan of the proceeds of the Series 2026 Bonds to the Borrower by the

Issuer and the Borrower's obligation to repay the loan. See "**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Loan Agreement.**"

Maintenance of Unrestricted Net Assets. During the term of the Loan Agreement, the Borrower covenants and agrees that it will, and will cause the Guarantor to, maintain consolidated Unrestricted Net Assets in an amount not less than two times the aggregate amount of Indebtedness of the Borrower and the Guarantor, as determined on January 1 and July 1 of each year as of the immediately preceding December 31 and June 30, respectively. The Borrower may use any of its Unrestricted Net Assets for its general purposes so long as the Borrower replenishes such Unrestricted Net Assets to the required amount as of each testing date. The table below demonstrates the calculation of Unrestricted Net Assets for each of the last four testing periods, as well as a pro forma calculation as of the end of the fiscal year ended December 31, 2024. "**Unrestricted Net Assets**" means the total amount of unrestricted net assets of the Borrower, or other equivalent accounting classification representing the unrestricted net worth of an entity, as determined in accordance with generally accepted accounting principles and reflected on (a) the most recently completed audited financial statements of the Borrower or (b) the unaudited financial statements of the Borrower for the six-month period ended June 30 of each year; provided, however, that for the six-month period ended June 30, the Borrower shall be permitted to utilize the pension liability from the immediately preceding audited financial statements if such information is not available for the six-month period ended June 30.

	Proforma				
	<u>12/31/2024</u>	<u>6/30/2025</u>	<u>12/31/2024</u>	<u>6/30/2024</u>	<u>12/31/2023</u>
Unrestricted Net Assets	\$1,544,637,000	\$1,571,803,000	\$1,544,637,000	\$1,529,290,000	\$1,515,425,000
Indebtedness of Borrower and Guarantor					
Series 2017 Bonds	\$ 30,090,000	\$ 30,090,000	\$ 30,090,000	\$ 30,090,000	\$ 30,090,000
Series 2020 Bonds	55,930,000	55,930,000	55,930,000	55,930,000	55,930,000
Series 2026 Bonds	317,680,000*	-	-	-	-
Pension Liability	<u>51,091,000</u>	<u>51,091,000</u>	<u>51,091,000</u>	<u>57,627,000</u>	<u>57,627,000</u>
Total Indebtedness	<u>\$454,791,000*</u>	<u>\$137,111,000</u>	<u>\$137,111,000</u>	<u>\$143,647,000</u>	<u>\$143,647,000</u>
Ratio of Unrestricted Net Assets to Indebtedness	3.40x*	11.46x	11.27x	10.65x	10.55x

*Preliminary, subject to change.

Additional Indebtedness. Additional Bonds (as defined in the Indenture) or Additional Obligations (as defined in the Indenture) of the Borrower may be issued on parity as to the obligations of the Borrower with the Series 2026 Bonds and the Prior Bonds. Additional Bonds or Additional Obligations may be secured by a parity lien with the security of the Series 2026 Bonds under the Loan Agreement provided that the issuance of such Additional Bonds or Additional Obligations will not result in the consolidated Unrestricted Net Assets of the Borrower and the Guarantor being less than two times (2.00x) the total Indebtedness of the Borrower and the Guarantor. For the fiscal years ended December 31, 2024 and 2023, the consolidated Unrestricted Net Assets of the Borrower and the Guarantor were equal to approximately 11.27x and 10.55x, respectively, of the Indebtedness of the Borrower and the Guarantor (as shown on the table above). The table also includes the same information as of December 31, 2024 including the estimated principal on the Series 2026 Bonds. The payment of the principal or redemption price of and interest on such Additional Bonds or Additional Obligations issued on a parity basis with the Series 2026 Bonds must be guaranteed by the Guarantor. See "**DEBT SERVICE REQUIREMENTS**" and "**BONDHOLDERS' RISKS—Additional Debt of the Borrower**" in this Official Statement.

The Guaranty Agreement

Pursuant to the Guaranty Agreement, the Guarantor has guaranteed prompt payment of the loan payments and other payments required to be made by the Borrower pursuant to the Loan Agreement and the Note to insure that the principal or redemption price of and interest on the Series 2026 Bonds are promptly paid when due. The Guarantor's obligations to make the loan payments and other payments required of the Borrower under the Loan Agreement are absolute and unconditional without any abatement or diminution thereof. See "**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Guaranty Agreement.**"

Bond Repayment Fund

The Borrower has a policy to maintain, at any time, a board designated bond repayment fund with an amount equal to the present value of the future maturities of all of the Borrower's Parity Bonds when they come due, assuming an annual return rate of 6%. Such present value is currently \$98 million*, including the estimated present value of the principal amount of the Series 2026 Bonds. The Borrower has maintained and complied with this policy since 2010. While not expected to change, the policy is not legally binding and the bond repayment fund is not legally restricted. In addition, the bond repayment fund is not intended to constitute a debt service reserve fund under federal tax rules.

Future Indebtedness

The Issuer may, at any time upon compliance with certain terms and conditions set forth in the Loan Agreement and the Indenture, issue Additional Bonds on behalf of the Borrower for any purpose permitted under the Act. Any Additional Bonds will be equally and ratably secured by the Indenture on parity with the Series 2026 Bonds and the Prior Bonds. Concurrently with the issuance of any such Additional Bonds, the Borrower shall deliver to the Issuer an Additional Note obligating the Borrower to make payments of the principal thereof and interest thereon in amounts and at times sufficient to provide for the timely payment of the principal of and interest on such Additional Bonds. Any such Additional Note will be secured on parity with the Note and any other Additional Note. See "**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Indenture—Supplemental Indenture Without Consent of Registered Owners**" and "**—Summary of the Loan Agreement—Additional Bonds and Additional Note.**"

The Borrower may also incur Additional Obligations, upon compliance with certain terms and conditions set forth in the Loan Agreement, to parties other than the Issuer. Such Additional Obligations will not be pledged under the Indenture but will be equally and ratably secured under the Loan Agreement with the Note and any Additional Note. See "**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS—Summary of the Loan Agreement—Additional Obligations**" and "**BONDHOLDERS' RISKS—Additional Debt of the Borrower**" in this Official Statement.

Upon the issuance of any such Additional Bonds or Additional Obligations, the consolidated Unrestricted Net Assets of the Borrower and the Guarantor must be at least two times (2.00x) the aggregate indebtedness of the Borrower and the Guarantor, and the Guarantor must unconditionally guarantee the payment of the principal or redemption price of and interest on such Additional Bonds or Additional Obligations.

* Preliminary, subject to change.

So long as the Borrower is in compliance with the provisions of the Loan Agreement and the Indenture, including the ability to incur Additional Obligations in the amount of at least \$1, the Borrower may incur Indebtedness not to exceed \$15 million per occurrence; provided, however, such limitation shall be \$10 million while the Series 2017 Bonds and the Series 2020 Bonds are Outstanding. If permitted to be incurred, such Indebtedness shall not be required to be guaranteed by the Guarantor nor shall the Borrower be required to notify the Trustee of such incurrence.

Enforceability

The enforceability of and remedies available upon an event of default under the Loan Agreement, the Indenture or the Guaranty Agreement are subject to various legal uncertainties and, in many respects, may be dependent upon judicial actions, which are often subject to discretion and delay. See “**BONDHOLDERS’ RISKS**” and “**ENFORCEABILITY OF OBLIGATIONS**” in this Official Statement.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Prior Bonds (the payment of the debt service on which is also guaranteed by the Guarantor) and the Series 2026 Bonds for each of the fiscal years ending December 31 through the final maturity of the Series 2026 Bonds. All amounts shown in the table below are gross debt service numbers prior to the application of any earnings on amounts deposited in any of the funds and accounts established under the indentures or loan documents for the Series 2026 Bonds and the Prior Bonds.

Fiscal Year Ending December 31	Series 2017 Bonds Debt Service	Series 2020 Bonds Debt Service	Series 2026 Bonds Debt Service*	Total Debt Service
2026	\$ 902,700.00	\$1,467,237.52		
2027	902,700.00	1,467,237.52		
2028	30,992,700.00	1,467,237.52		
2029	-	1,467,237.52		
2030	-	3,857,237.52		
2031	-	1,371,637.52		
2032	-	1,371,637.52		
2033	-	1,371,637.52		
2034	-	1,371,637.52		
2035	-	8,271,637.52		
2036	-	1,164,637.52		
2037	-	1,164,637.52		
2038	-	1,164,637.52		
2039	-	1,164,637.52		
2040	-	1,164,637.52		
2041	-	1,164,637.52		
2042	-	1,164,637.52		
2043	-	1,164,637.52		
2044	-	1,164,637.52		
2045	-	1,164,637.52		
2046	-	1,164,637.52		
2047	-	1,164,637.52		
2048	-	1,164,637.52		
2049	-	1,164,637.52		
2050	-	47,804,637.52		
2051	-	-		
2052	-	-		
2053	-	-		
2054	-	-		
2055	-	-		
TOTAL	\$32,798,100.00[†]	\$87,593,938.00[‡]		

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the Borrower with respect to the Series 2026 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Official Statement, including the

* Preliminary, subject to change.

[†] The principal of the Series 2017 Bonds does not amortize. Interest is payable on March 1 and September 1 of each year and the entire principal amount of the Series 2017 Bonds in the amount of \$30,090,000 is due on September 1, 2028.

[‡] A limited amount of principal of the Series 2020 Bonds amortizes prior to the final maturity of the Series 2020 Bonds. Interest is payable on January 1 and July 1 of each year and \$46,640,000 principal amount of the Series 2020 Bonds is due on July 1, 2050.

appendices hereto, and additional information in the form of the complete documents summarized herein and in “**APPENDIX C—DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS**,” copies of which are available as described herein.

General

The Series 2026 Bonds are special, limited revenue obligations of the Issuer payable by the Issuer solely from payments to be made by the Borrower under (i) the Loan Agreement, (ii) the Note, (iii) from certain other funds held by the Trustee under the Indenture, and (iv) from amounts received by the Guarantor under the Guaranty Agreement. No representation or assurance can be given that the Borrower or the Guarantor will realize revenue in amounts sufficient to make payments under the Loan Agreement and the Note with respect to the Series 2026 Bonds. The Series 2026 Bonds will not be secured by a mortgage or any other lien of any kind on the assets of the Borrower.

THE SERIES 2026 BONDS ARE SPECIAL, LIMITED REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT AND THE NOTE, PAYMENTS MADE BY THE GUARANTOR PURSUANT TO THE GUARANTY AGREEMENT, AND CERTAIN REVENUES PLEDGED UNDER THE INDENTURE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE SERIES 2026 BONDS AND THE INTEREST PAYABLE THEREON DO NOT, DIRECTLY OR INDIRECTLY, OBLIGATE THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATIONS FOR THEIR PAYMENT. THE SERIES 2026 BONDS DO NOT NOW AND WILL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

Investment Losses

The Borrower has a policy to maintain, at any time, a board designated bond repayment fund with an amount equal to the present value of the future maturities of all of the Borrower’s Parity Bonds when they come due, assuming an annual return rate of 6%. The Borrower has maintained and complied with this policy since 2010. While not expected to change, the policy is not legally binding and the bond repayment fund is not legally restricted. In addition, the bond repayment fund is not intended to constitute a debt service reserve fund under federal tax rules. The bond repayment fund achieving the foregoing results is critical to repayment of the Borrower’s Parity Bonds when they come due. As such, any unexpected investment losses, whether by virtue of market turmoil, inadvisable investments, fraud, or other unanticipated investment result could have material adverse impact on the Borrower’s ability to pay debt service on the Series 2026 Bonds or any Parity Bonds.

Repayment for the Bonds and the Parity Bonds also relies on the prudent investment of the funds of the Guarantor. Like the Borrower, the Guarantor, whether by virtue of market turmoil, inadvisable investments, fraud, or other unanticipated investment result could have material adverse impact on the Guarantor’s ability to make payments on the Series 2026 Bonds. See “**APPENDIX A —THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS—FINANCIAL INFORMATION OF THE BORROWER AND THEIR INVESTMENTS—Investments and the Investment Policy**.”

Gifts, Grants and Bequests

The Borrower is reliant on gifts from donors in order to maintain its operations and to continue to grow its investment assets. Any decrease in the annual gifts, bequests and grants to the Borrower could adversely affect the financial condition of the Borrower and result in the need to reduce services or utilize assets on hand, either of which could adversely affect the Borrower. See “**APPENDIX A —THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS—FINANCIAL INFORMATION OF THE BORROWER AND THEIR INVESTMENTS—Fundraising Activities.**”

Cyber Attacks Could Adversely Affect Operations and Revenues

The Borrower relies on IT systems to operate its facilities and process, transmit and store sensitive and confidential data, including protected health information and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. In the past several years, a number of entities have sought to gain unauthorized access to IT systems of large organizations to misappropriate assets or information or to cause operational disruptions. These attempts may be highly sophisticated. Although the Borrower has implemented network security measures, the Borrower’s IT systems may still be vulnerable computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to internal or external malfeasance or employee error or negligence. Any cybersecurity event that limits a health facility’s ability to access its IT systems or otherwise compromises patient data could result in the disruption or cessation of facility operations, patient safety issues, the loss of patient records, an inability to submit claims for reimbursement, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of federal or state privacy laws, any of which may adversely affect a health facility’s business or financial condition.

Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. DHHS, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Agency (“CISA”) have expressed concern that U.S. hospitals and health care providers are a prime target for cyber-attacks and that such cyber-attacks could result in data theft and disruption of health care services. The Cyber Incident Reporting for Critical Infrastructure Act (“CIRCIA”), signed into law in March 2022, requires hospitals and health systems to report cyber breaches within 72 hours and any ransomware payments made within 24 hours to CISA at the United States Department of Homeland Security. CIRCIA requires CISA to promulgate corresponding implementing regulations. The potential impact of any final implementing regulations relating to CIRCIA is unknown at this time.

Cybersecurity threats will continue to evolve, and the Borrower may not be able to anticipate certain attack methods in order to implement effective protective measures. As a result, the Borrower may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. Additionally, the Borrower’s IT systems routinely interface with and rely on third party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider could harm the Borrower’s business. Although the Borrower has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event.

Pandemic or Public Health Emergency Could Adversely Impact Operations and Financial Condition

General. The occurrence of a public health emergency, including a pandemic similar to the COVID-19 pandemic, and governmental and public responses to such emergency, may directly or indirectly

affect the operations and financial condition of health care providers in a multitude of ways. For example, a public health emergency could result in an abnormally low or high demand for health care services, cause a decreased demand for elective procedures, require that resources be diverted from one part of operations to another part, disrupt the supply chain for necessary medical equipment and supplies, cause a clinical or non-clinical staffing shortage, or otherwise impair the operation of part or all of a health care provider's facilities. There can be no assurance that a future pandemic or other public health emergency will not result in material adverse consequences to the operations of the Borrower. The extent to which government stimulus and support or business interruption insurance would be available in connection with a pandemic or other public health emergency is fact-dependent and there can be no assurance that any available government support or insurance coverage would be sufficient to cover losses.

COVID-19 Pandemic. The COVID-19 pandemic had significant negative effects on the economy generally as well as direct health care related consequences. The COVID-19 pandemic resulted in volatility in equity markets and the public markets for the issuance and trading of all securities. The COVID-19 pandemic caused business failures and cutbacks attributable to changes in market behavior, the complete effects of which are still unclear. National, state, and local governmental actions taken during the pandemic, including the passage of laws and regulations, caused substantial changes to the way health care is provided and how society in general functions and may have long-term consequences for the way health care services are provided generally.

Impact of Tariffs

The imposition by the United States of tariffs on certain imports from most global countries include essential construction materials such as steel, aluminum, and lumber and other equipment necessary for construction. The existing tariffs, or any future tariffs, may cause delays and shortages in obtaining necessary materials, potentially leading to project delays and increased costs. This could adversely affect the expectations and timing for the Project to become complete and operational.

In response to United States tariffs, other countries have announced plans for their own tariffs on American products. Such retaliatory actions could further disrupt supply chains and increase costs for materials and goods essential to the Borrower's operations.

The tariffs have introduced significant uncertainty into the market, leading to volatility in material prices and potential delays in project timelines. This uncertainty could affect planning and financial forecasting for development and construction generally, including the Project

Limited Amortization of Series 2026 Bonds and Prior Bonds

The Borrower has selected a debt service structure of the Series 2026 Bonds whereby principal of the Series 2026 Bonds does not amortize prior to maturity. Therefore, the principal amount of the Series 2026 Bonds will remain outstanding (unless called for earlier redemption by the Issuer at the request of the Borrower) until maturity. The Series 2017 Bonds and the Series 2020 Bonds also have a debt service structure whereby the principal of such bonds either does not amortize (in the case of the Series 2017 Bonds) or there is limited amortization prior to the final maturity thereof (in the case of the Series 2020 Bonds). See "**DEBT SERVICE REQUIREMENTS.**" No assurance can be given that (i) the Borrower or the Guarantor will have sufficient funds to pay the principal of and interest due on the Series 2026 Bonds, the Series 2020 Bonds and the Series 2017 Bonds at their respective maturities, or, if it is determined to refinance the principal of such bonds prior to maturity, that (ii) the Borrower will be able to refinance the Series 2026 Bonds, the Series 2020 Bonds and the Series 2017 Bonds at or prior to their respective maturities or on favorable terms.

Income from the Provision of Health Care Services

The Borrower received \$211 million (35%) of its revenues from patient services for the fiscal year ended December 31, 2024. There can be no assurances that revenues will remain stable or will increase in the future. The Borrower and the health care industry in general is subject to federal, state and local legislation and regulation by a number of governmental and private agencies, including those which administer the Medicaid program, federal, state and local agencies responsible for administration of inspection, licensing and accrediting of health care facilities and health planning programs, and other federal, state and local governmental agencies. As a result, the health care industry and the Borrower are sensitive to legislative changes in such programs.

Effect of Bankruptcy on Security for the Series 2026 Bonds

Bankruptcy proceedings, including any involving the Borrower or the Guarantor, and equity principles could delay or otherwise adversely affect the enforcement of registered owners' rights or collection of the principal of or interest on the Series 2026 Bonds. A bankruptcy of the Borrower or the Guarantor could impose significant risks of delay, limitation or modification of the registered owners' rights against the Borrower or the Guarantor. These risks include, without limitation, the risk that the interest rate on and repayment and other terms of the Series 2026 Bonds could be modified in bankruptcy proceedings, and the Series 2026 Bonds may not be repaid in full.

Forward-Looking Statements

This Official Statement contains certain statements that are "forward-looking" statements within the meaning of federal securities laws. All statements other than statements of historical facts included in this Official Statement, including without limitation statements that use terminology such as "estimate," "plan," "budget," "expect," "intend," "anticipate," "believe," "may," "will," "continue" and similar expressions, are forward-looking statements. These forward-looking statements include, among other things, the discussions related to the Borrower's operations and the Guarantor's operations, future operations, revenues, capital resources and expenditures for capital projects. Although the Borrower and the Guarantor believe that the assumptions upon which the forward-looking statements contained in this Official Statement are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. All phases of the operations of the Borrower and the Guarantor involve risks and uncertainties, many of which are outside the control of the Borrower and the Guarantor and any one of which, or a combination of which, could materially affect the results of the Borrower's operations and the Guarantor's operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause actual results to differ from those expected include, but are not limited to: general economic conditions; the property tax status of the Borrower's operations at its various locations throughout the United States; unanticipated expenses; the capabilities of the Borrower and the Guarantor's management; changes in government regulation of the education and healthcare industries; future claims for accidents at the Borrower's facilities and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement.

No representation or assurance can be given that the Borrower and the Guarantor will realize revenues in amounts sufficient to make the required payments under the Loan Agreement. The realization of future revenues of the Borrower and the Guarantor is dependent upon, among other things, the matters described in the foregoing paragraphs and future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Underwriter makes no representation as to the accuracy of the projections contained herein or as to the assumptions on which the projections are based.

Unaudited and Summary Financial Information

Certain historical financial information of the Borrower and the Guarantor is summarized in this Official Statement, including Appendix A hereto. There can be no assurance that the financial results achieved by the Borrower or the Guarantor in the future will be similar to historical results contained therein. Such future results will vary from historical results, and actual variations may be material. Therefore, the historical operating results of the Borrower, including the operating results for the nine month period ended September 30, 2025 and 2024, contained in this Official Statement cannot be viewed as a representation that the Borrower will be able to achieve such results in the future.

Tax-Exempt Status of the Borrower and the Guarantor

The Borrower and the Guarantor are each currently exempt from Federal income tax. The Borrower and the Guarantor are each an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). Under present federal law, regulations and rulings, the income and revenue of nonprofit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code, and their revenues are exempt from the State sales tax except for certain services. If the Borrower or the Guarantor fails to continue to meet the requirements necessary to preserve its status as a non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Code, the Borrower or the Guarantor could experience expenses which are greater than set forth in APPENDIX B and revenues which are lower than those set forth in APPENDIX B. The Borrower and the Guarantor have covenanted that they will not take any actions or fail to take any actions, the result of which would adversely affect the Borrower’s or the Guarantor’s status as a non-profit corporation and its status as a tax-exempt charitable organization under Section 501(c)(3) of the Code.

Tax-Exempt Status of the Series 2026 Bonds

The tax-exempt status of the interest on the Series 2026 Bonds is conditioned upon the Borrower and the Issuer complying with the requirements of the Code, and applicable Treasury Regulations as they relate to the Series 2026 Bonds. Failure of the Borrower to comply with the terms and conditions of the Code, the Loan Agreement, the Indenture, the Tax Compliance Agreement, and other documents as described herein may result in the loss of the tax-exempt status of the interest on the Series 2026 Bonds retroactive to the date of issuance of the Series 2026 Bonds. See “**TAX MATTERS**” in this Official Statement. Holders of Series 2026 Bonds will not receive any additional interest to compensate them for federal income taxes, interest and penalties which may be assessed with respect to such interest. The Series 2026 Bonds are subject to mandatory redemption upon an Event of Taxability, at a redemption price equal to par, plus accrued interest. There can be no assurance that, in the event of an Event of Taxability, sufficient money would be available in such event to redeem the Series 2026 Bonds. Further, there can be no assurance that an Event of Taxability will follow promptly the events which give rise to the Determination of Taxability, so that tax obligations may accrue for substantial periods preceding the redemption of Series 2026 Bonds upon a Determination of Taxability. If interest on the Series 2026 Bonds should become includable in gross income for purposes of federal income taxation, the market for and value of the Series 2026 Bonds would be adversely affected. See “**TAX MATTERS**” in this Official Statement.

No Debt Service Reserve Fund for the Series 2026 Bonds

The Series 2026 Bonds will not be secured by a debt service reserve fund, but rather will be secured by the Guarantor’s guaranty of debt service on the Series 2026 Bonds. The lack of a debt service reserve fund will affect the ability of the registered owners of the Series 2026 Bonds to receive payments of debt

service on the Series 2026 Bonds should revenues of the Borrower or Guarantor be insufficient to make such payments.

The Borrower has a policy to maintain, at any time, a board designated bond repayment fund with an amount equal to the present value of the future maturities of all of the Borrower's Parity Bonds when they come due, assuming an annual return rate of 6%. Such present value is currently \$98 million*, including the estimated present value of the principal amount of the Series 2026 Bonds. The Borrower has maintained and complied with this policy since 2010. While not expected to change, the policy is not legally binding and the bond repayment fund is not legally restricted. In addition, the bond repayment fund is not intended to constitute a debt service reserve fund under federal tax rules. No assurance can be given that the bond repayment fund will achieve the returns anticipated by the Borrower over the life of the Parity Bonds in such amounts to pay the debt service when due on the Parity Bonds.

No Mortgage Securing the Series 2026 Bonds

The Series 2026 Bonds are not secured by a mortgage lien or any other real estate security interest in any property or real estate owned by the Borrower. In the event that the Borrower does not make the payments required under the terms of the Loan Agreement or the Note, the obligations of the Guarantor under the Guaranty Agreement are the main source of security for the registered owners of the Series 2026 Bonds. Under no circumstances will the registered owners of the Series 2026 Bonds have a right to foreclose on the Borrower's facilities in the event that the Borrower's revenues are insufficient to make payments of debt service on the Series 2026 Bonds and the other parity debt obligations of the Borrower. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**" in this Official Statement.

Additional Debt of the Borrower

The Indenture permits the issuance of additional indebtedness on parity with the Borrower's obligations under the Loan Agreement and also permits incurrence of other types of indebtedness by the Borrower. Additional indebtedness could also increase debt service requirements of the Borrower and could adversely affect debt service coverage on the Series 2026 Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**" and "**DEBT SERVICE REQUIREMENTS**" in this Official Statement.

Enforcement of Remedies

The enforcement of the remedies under the Loan Agreement, the Guaranty Agreement, and the Indenture may be limited or restricted by federal or state laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State laws concerning the use of assets of charitable corporations and federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinions to be delivered with the delivery of the Series 2026 Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (i) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (ii) general principles of equity, and (iii) the exercise of judicial discretion in appropriate cases. See "**ENFORCEABILITY OF OBLIGATIONS**" in this Official Statement.

* Preliminary, subject to change.

Challenges to Property Tax Exemption

The real property tax exemptions afforded to certain nonprofit organizations by state and local taxing authorities in a number of states have been challenged on various grounds. These challenges include allegations of aggressive billing and collection practices and excessive financial margins and lack of indigent care. The Borrower owns a large amount of real property throughout the United States. While the Borrower is not aware of any current challenge to the tax exemption afforded to any material real property of the Borrower, there can be no assurance that these types of challenges will not occur in the future. In particular, in the event that the State subjects the real property of the Borrower to property taxes, it would adversely affect the financial condition of the Borrower because of the extensive amount of real property that the Borrower owns in the State.

Lack of Secondary Market

Although the Underwriter expects to engage in the purchase and sale of the Series 2026 Bonds on the secondary market, the Underwriter is not obligated to make a market for the Series 2026 Bonds, and there can be no assurance that there will always be a secondary market for purchase or sale of the Series 2026 Bonds. From time to time there may be no market for purchase or sale of the Series 2026 Bonds depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition and results of the Borrower's operations. The Series 2026 Bonds should therefore be considered long-term investments in which funds are committed to maturity.

Absence of Credit Enhancement

No form of credit enhancement will be or has been obtained in connection with the Series 2026 Bonds. No form of revenue other than the revenues derived by the Borrower and the Guarantor will be available for the payment of the debt service on the Series 2026 Bonds. In the event revenue is not derived from the Borrower's operations, or received by the Guarantor or other sources for any reason, the ability of the Issuer to receive loan payments sufficient in amount to pay debt service on the Series 2026 Bonds could be adversely affected.

Risk of Early Call

There are a number of circumstances under which all or a portion of the Series 2026 Bonds may be redeemed prior to their stated maturity. No assurance can be given that the Borrower or the Guarantor will have funds available to pay the redemption price on the call date for the Series 2026 Bonds. See "**THE SERIES 2026 BONDS—Redemption**" in this Official Statement.

Failure to Provide Ongoing Disclosure

The Borrower and the Guarantor will enter into a Continuing Disclosure Agreement with BOKF, National Association, as Trustee and Dissemination Agent, pursuant to Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). Failure by the Borrower or the Guarantor to comply with the Continuing Disclosure Agreement and

Rule 15c2-12 may adversely affect the liquidity of the Series 2026 Bonds and their market prices in the secondary market. See “**CONTINUING DISCLOSURE**” and APPENDIX D in this Official Statement.

Key Personnel

The Borrower’s operations and the operations and investment activities of the Guarantor are vested in the management personnel of the Borrower and the Guarantor, respectively (the “**Key Personnel**”). The loss of any Key Personnel could adversely affect the Borrower’s or the Guarantor’s operations or activities and financial results. For more information regarding the Borrower’s or Guarantor’s Key Personnel, see “**APPENDIX A—THE BORROWER, THE GUARANTOR, AND THEIR OPERATIONS**” in this Official Statement.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2026 Bonds. In order for potential investors to identify risk factors and make an informed decision, potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto.

RATING

S&P Global Ratings (the “**Rating Agency**”), has assigned the Series 2026 Bonds the rating of “AA-.” S&P Global Ratings also currently rates the Series 2017 Bonds and the Series 2020 Bonds as “AA-.”

Such rating reflects only the view of the Rating Agency, and any explanation of the significance of such rating on the Series 2026 Bonds may be obtained only from the Rating Agency at 55 Water Street, New York, New York, 10041, telephone (212) 438-2124. Generally, rating agencies base their ratings on the information and materials furnished to them and on investigation, studies, and assumptions by the rating agencies. A securities rating is not a recommendation to buy, sell, or hold securities. The rating of the Series 2026 Bonds represents the judgment of the Rating Agency as to the likelihood of timely payment of the Series 2026 Bonds according to their terms, but does not address the likelihood of redemption or acceleration prior to maturity. There is no assurance that such rating by the Rating Agency will remain in effect for any given period of time or that it may not be lowered, suspended, or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. Any such downward change in or suspension or withdrawal of such rating may have an adverse effect on the market price and marketability of the Series 2026 Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Series 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax

laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under the law existing as of the issue date of the Series 2026 Bonds:

Federal and State of Nebraska Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Nebraska.

Alternative Minimum Tax. The interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2026 Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal and State of Nebraska income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium, if any.

Sale, Exchange or Retirement of Series 2026 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2026 Bond. To the extent a Series 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2026 Bonds, and to the proceeds paid on the sale of the Series 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE

The Borrower and the Guarantor have agreed to provide the Trustee with annual financial statements, certain semi-annual information, and certain other information, in accordance with the current requirements of Rule 15c2-12 of the Securities and Exchange Act (17 C.F.R. Part 240, Section 240.15c2-12) (the “**Rule**”). The Borrower and the Guarantor are the “obligated persons” under the Rule with respect to the Series 2026 Bonds. The Borrower and the Guarantor have entered into an undertaking, in the form of a Continuing Disclosure Agreement, dated _____, 2026, the form of which is set forth in “**APPENDIX D—FORM OF CONTINUING DISCLOSURE AGREEMENT**” to this Official Statement, between the Borrower, the Guarantor and the Trustee, for the benefit of the registered owners of the Series 2026 Bonds, to send certain financial information to the Electronic Municipal Market Access system pursuant to the requirements of the Rule.

The Borrower and Guarantor believe that they have complied in all material respects during the past five years with its prior undertakings under the Rule.

LITIGATION

The Issuer

There is not now pending nor, to the knowledge of the Issuer, threatened, any litigation against the Issuer seeking to restrain or enjoin the issuance, delivery or sale of the Series 2026 Bonds, or questioning or affecting the validity or tax-exempt nature of the Series 2026 Bonds or the proceedings or authority under which they are to be issued, or which in any manner questions the right of the Issuer to enter into the Indenture, the Loan Agreement or to secure the Series 2026 Bonds in the manner provided in the Indenture.

The Borrower and Guarantor

No litigation, proceedings or investigations are pending or, to the knowledge of the Borrower or the Guarantor, threatened, against the Borrower or the Guarantor or their officers or property except litigation, proceedings or investigations being defended by or on behalf of the Borrower or the Guarantor in which the probable ultimate recoveries and the estimated costs and expenses of defense will be entirely within the Borrower’s or the Guarantor’s self-insurance and insurance policy limits (including primary and excess insurance policies and subject to applicable deductibles and self-insured retentions), or will not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower or the Guarantor. In addition, no litigation, investigations or proceedings are now pending or, to the Borrower’s or the Guarantor’s knowledge, threatened against the Borrower or the Guarantor that would in any manner challenge or adversely affect the corporate existence or powers of the Borrower or the Guarantor to enter into and carry out the transactions described in or contemplated by, or the execution, delivery, validity or performance by the Borrower of, the Loan Agreement or Note, or the status of the Borrower or the Guarantor as a tax-exempt organization.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2026 Bonds by the Issuer are subject to the approval of Bond Counsel, whose approving opinion will be delivered with the Series 2026 Bonds. Certain legal matters will be passed upon for the Borrower and the Guarantor by the Executive Vice President and General Counsel of the Borrower, Boys Town, Nebraska, and for the Underwriter by Pierson Ferdinand LLP.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion-giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or for the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ENFORCEABILITY OF OBLIGATIONS

On the date of delivery of the Series 2026 Bonds, Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel to the Issuer, will deliver its opinion, dated the date of delivery, that the Series 2026 Bonds, the Loan Agreement and the Indenture are valid and legally binding obligations of the Issuer. The Executive Vice President and General Counsel of the Borrower, as counsel to the Borrower, will deliver its opinions that the Loan Agreement, the Continuing Disclosure Agreement, and the Bond Purchase Agreement are valid and legally binding agreements of the Borrower, each enforceable in accordance with their respective terms. The Executive Vice President and General Counsel of the Borrower, as counsel to the Guarantor, will deliver its opinion that the Guaranty Agreement and the Continuing Disclosure Agreement are valid and legally binding agreements of the Guarantor, each enforceable in accordance with their respective terms. The foregoing opinions will be generally qualified to the extent that the enforceability of the respective instruments may be limited by laws, decisions and equitable principles affecting remedies and by bankruptcy or insolvency or other laws, decisions and equitable principles affecting creditors' rights generally.

While the Series 2026 Bonds are secured or payable pursuant to the Indenture, the Loan Agreement and the Guaranty Agreement, the practical realization of payment from any security will depend upon the exercise of various remedies specified in the respective instruments. These and other remedies are dependent in many respects upon judicial action, which is subject to discretion and delay. Accordingly, the remedies specified in the above documents may not be readily available or may be limited.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Series 2026 Bonds, the Issuer, the Underwriter and the Borrower are being represented by the attorneys or law firms identified above under the heading “**LEGAL MATTERS**.” Gilmore & Bell, P.C., Omaha, Nebraska, is serving as Bond Counsel to the Issuer. In other transactions not related to the Series 2026 Bonds each of these attorneys or law firms may have acted as Bond Counsel or represented the Issuer, the Underwriter, the Borrower or their respective affiliates, in capacities different from those described under “**LEGAL MATTERS**,” and there will be no limitations imposed as a result of the issuance of the Series 2026 Bonds on the ability of any of these firms or attorneys to act as Bond Counsel or represent any of these parties in any future transactions. Furthermore, the Issuer, the Borrower, the Underwriter, and their respective affiliates are not limited in engaging in future business transactions with each other. Potential purchasers of the Series 2026 Bonds should not assume that the Issuer, the Underwriter, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Series 2026 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

INDEPENDENT AUDITORS

The consolidated financial statements of Father Flanagan’s Boys’ Home as of and for the fiscal years ended December 31, 2024 and 2023, included in APPENDIX B to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their reports appearing herein.

UNDERWRITING

The Series 2026 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”). The Underwriter has agreed to purchase the Series 2026 Bonds at an aggregate purchase price of \$_____ (representing the par amount of the Series 2026 Bonds (\$_____), [less/plus] original issue [discount/premium] in the amount of \$_____, less Underwriter’s discount in the amount of \$_____. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2026 Bonds if any are purchased.

The Underwriter intends to offer the Series 2026 Bonds to the public initially at the offering prices set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriter(s) in offering the Series 2026 Bonds to the public. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and the Guarantor and to persons and entities with relationships with the Issuer and/or the Borrower and the Guarantor, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Borrower and the Guarantor (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and/or the Borrower and the Guarantor.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Borrower and the Guarantor.

MISCELLANEOUS

The references herein to the Act, the Loan Agreement, the Indenture, the Note and the Guaranty Agreement are brief outlines of certain provisions thereof and do not purport to be complete. For full and complete statements of the provisions thereof, reference is made to the Act, the Loan Agreement, the Indenture, the Note and the Guaranty Agreement, copies of which are on file at the offices of the Underwriter, and, following delivery of the Series 2026 Bonds, will be on file at the office of the Trustee.

The agreement of the Issuer with the registered owners of the Series 2026 Bonds is fully set forth in the Indenture, and neither any advertisement of the Series 2026 Bonds nor this Official Statement is to be construed as constituting an agreement with the registered owners of the Series 2026 Bonds. Statements made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact.

The cover page hereof and the appendices hereto are integral parts of this Official Statement and must be read together with all of the foregoing statements.

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APPENDIX A

**THE BORROWER, THE GUARANTOR,
AND THEIR OPERATIONS**

APPENDIX A

**THE BORROWER, THE GUARANTOR,
AND THEIR OPERATIONS**

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FATHER FLANAGAN'S BOYS' HOME

Father Flanagan's Boys' Home, d/b/a Boys Town, a nonprofit corporation (the “**Borrower**” or “**Boys Town**”), was founded by Father Edward Flanagan in 1917 in Omaha, Nebraska. In 1921, Father Flanagan moved the operations of Boys Town to Overlook Farm just west of Omaha, Nebraska. The Home Campus of Boys Town is still at the same location. Boys Town provides medical, surgical, and behavioral health services, as well as world-class research. Boys Town also offers children and families services in their own homes, or, when necessary, family-like out-of-home services to children with special treatment needs. Boys Town works with communities and schools in order to meet the growing and more diverse needs of today’s children and families. Boys Town reached hundreds of thousands of children and families in 2024 in its programs throughout the United States.

The Borrower and its affiliates, a nonsectarian, not-for-profit organization governed by a volunteer board of trustees, operates under the name Boys Town. Boys Town’s mission is to change the way America cares for children and families. Its vision is an America where every child and family receives the effective, compassionate care they need to be healthy in body, mind, and spirit. Boys Town’s revenues are derived from contributions, contracts, program service fees, and support from the Guarantor.

BOARD OF DIRECTORS, MANAGEMENT, AND EMPLOYEES OF THE BORROWER

The Borrower is currently governed by a 18-member Board of Trustees consisting of one designated Trustee (the President and CEO of the Borrower) whose term of office is coterminous with his incumbency in such position, and 17 Trustees serving staggered three-year terms elected from candidates proposed by a nominating committee comprised of Trustees. The Board of Trustees has general charge of the business and affairs of the Borrower and may do and perform all acts necessary to carry out its purposes. The members of the Borrower’s Board of Trustees serve in a voluntary capacity and receive no remuneration for service rendered in such capacity. The members of the Borrower’s Board of Trustees are as follows:

Thomas B. Barker, Chair

Trustee since 2020

Retired Chief Executive Officer and Chairman
West Corporation | Omaha, NE

Joni W. Wheeler, Chair-Elect

Trustee since 2021

Executive Vice President, Talent and
Enterprise Solutions
Blue Cross and Blue Shield of NE | Omaha, NE

Rodney J. Kempkes

Trustee since 2023

President and Chief Executive Officer
Father Flanagan’s Boys’ Home | Boys Town, NE

Anthony J. Aquino

Trustee since 2024

President
EMI Services | Potomac, MD

Sherry L. Hutcherson

Trustee since 2021

Executive Vice President
Bellevue University | Omaha, NE

Linda A. LeBlanc, PhD, BCBA-D

Trustee since 2019

Executive Director, Action Institute for
Outcomes Research | Littleton, CO

Paul T. Maass

Trustee since 2025

Chief Executive Officer
Scoular | Omaha, NE

Robert A. Nkogo-Nze

Trustee since 2022

Network Engineer
Orion Advisor Solutions | Omaha, NE

Thomas J. Culhane, J.D.*Trustee since 2021*

Partner

Erickson & Sederstrom | Omaha, NE

Dennis J. Esterbrooks, M.D.*Trustee since 2024*

Professor Emeritus

Creighton University School of Medicine,
Division of Cardiology | Omaha, NE**Heather C. Forkey, M.D.***Trustee since 2024*Director, Foster Children Evaluation Services
Vice-Chair, Department of Pediatrics
UMass Memorial Children's Medical Center
Professor of Pediatrics
Pediatric Director, Lifeline for Kids
University of Massachusetts
Chan Medical School | Worcester, MA**Helen A. Fox-O'Brien***Trustee since 2022*Former Managing Director, Global Private Equity
Church Pension Fund | Riverside, CT**Lynn M. Heng***Trustee since 2025*Brigadier General (Ret.)
Nebraska City, NE**Jodi L. Probst, CPA***Trustee since 2018*

Managing Partner

PricewaterhouseCoopers LLP | Houston, TX

Marc C. Tilden, Esq.*Trustee since 2022*

Retired Attorney, Owner

ATM Support, LLC | North Las Vegas, NV

Janet S. Twyman, PhD, BCBA, LBA*Trustee since 2023*

Chief Learning Scientist

blast: A Learning Sciences Co. | Cottonwood, AZ

Richard J. Velasco*Trustee since 2022*

Retired Client Executive

Cisco Systems, Inc. | Omaha, NE

Dorothy A. Zolandz, PhD*Trustee since 2022*

Principal

D-Z Impact LLC | Washington, DC

Management

Management of the Borrower is led by the President and Chief Executive Officer. The President and Chief Executive Officer of the Borrower is selected by the Board of Trustees of the Borrower. Other members of the management staff of the Borrower are appointed by the President and Chief Executive Officer of the Borrower. Executive management staff of the Borrower consists of the following persons:

Rod Kempkes, President and Chief Executive Officer. Passionate about making a positive impact and improving lives of those in need, Rod is dedicated to providing care and support for at-risk children and families in communities across America. Responsible for the strategy and operations across the organization, he is committed to upholding the mission, vision, and values of Father Flanagan and Boys Town.

Rod is an experienced, accomplished leader focused on evolving and expanding the impact of Boys Town's services, developing future leaders, and ensuring its mission is at the forefront of its work. He believes transparency and collaboration are essential to foster a culture of inclusivity, community, strong sense of purpose, and accountability within the organization. Throughout his career, Rod has worked closely with board members, colleagues, and stakeholders to create, implement, and grow successful programs and initiatives.

Prior to joining Boys Town, Rod served as the chief operating officer at Intrado (formerly West Corporation). Previously, he was the chief administrative officer at a global publicly traded company. His experience includes domestic and international operations, value creation, acquisitions, and divestitures. Rod is a serial entrepreneur and has authored several patents.

Rod is married, has four daughters and is an avid outdoorsman. He continues to volunteer to help organizations focused on youth with special needs.

Jason Bruce, M.D., Executive Vice President of Health Care and Director of Boys Town National Research Hospital and Medical Clinics. Jason has been a key member of Boys Town National Research Hospital since 2006 when he joined as a pediatrician. In 2021, he was appointed Executive Vice President of Healthcare and Director of Boys Town National Research Hospital and Clinics. He is responsible for the operations of hospital, medical, and clinical programs and services located across multiple sites in Nebraska and Iowa, which provided care to more than 47,000 children and adolescents in 2024. In addition to direct care services, the Hospital operates 48 independent laboratories that are internationally recognized for their discoveries that have improved outcomes in patient care.

Since 2006, Dr. Bruce has held various leadership roles within Boys Town National Research Hospital, including Medical Director of Same Day Pediatrics, Pediatric Practice Leader for Boys Town Pediatrics, Associate Medical Director for Primary Care, and Chief Medical Officer.

He earned his Doctor of Medicine degree from the Creighton University School of Medicine and completed residency training at the Children's Hospital of Wisconsin in affiliation with the Medical College of Wisconsin. He is board certified in pediatrics and is a fellow of the American Academy of Pediatrics.

Dr. Bruce continues to be involved in the Omaha community as an active member of Metro Omaha Medical Society and volunteer for his church and his children's school and youth athletic teams. In addition, he volunteered at several professional organizations, including the Institute for Latin American Concern as a volunteer physician, Essential Pregnancy Services as a volunteer parenting class teacher, and Building Bright Futures – Omaha as a committee member.

Bridgette Renbarger, CPA, Executive Vice President Finance, Treasurer and Chief Financial Officer. Bridgette joined Boys Town after more than a decade of leadership in nonprofit finance. Her career began in Michigan, where she specialized in public accounting for nonprofit and governmental entities. A passion for organizations that give back brought Bridgette to Omaha, where she served as CFO at the College of Saint Mary and the Boys and Girls Club of the Midlands.

At Boys Town, she leads a multifaceted finance operation encompassing corporate accounting, compliance, budget planning and forecasting for a multimillion-dollar budget. Bridgette views her role as a bridge between financial stewardship and mission impact—serving those who serve by ensuring that every dollar is aligned with the organization's long-term goals.

She earned her bachelor's degree in accounting from Western Michigan University. Outside of work, she serves as treasurer of the Burke High School Baseball Parents Association and as a youth group leader at her church. In her free time, she enjoys photography and traveling with her husband and two sons.

Robby Simard, Executive Vice President of Youth Care. Robby has more than 20 years of experience with operational leadership including oversight of finance, strategic development, and enterprise leadership. As Executive Vice President of Youth Care, he is responsible for the operations of Youth Care programs on Home Campus and six affiliate sites across the United States, as well as the Boys Town National Hotline® and National Training Program.

Prior to joining Boys Town, Robby most recently served as an Operations Executive for Valmont Industries. Previously, he was the Executive Vice President for Palfinger, a global heavy equipment leader headquartered in Austria. He also has served as a Management and Leadership Consultant, and as a leader in the United States Air Force.

Robby is married, has two sons and is a musician. He spends time in the local hockey community and supporting Team Jack, a pediatric brain cancer foundation where his wife is a board member.

Dana Washington, Executive Vice President and General Counsel. Dana oversees the legal affairs for Boys Town, including its child and family care operations throughout the country, as well as its internationally recognized Boys Town National Research Hospital®. In addition, she oversees the Advocacy, Corporate Compliance, Internal Audit and Youth Safety Audit departments at Boys Town. Prior to assuming this role, Dana worked as associate general counsel at Mutual of Omaha Insurance Company where she specialized in insurance defense and employment litigation. She also has worked as a litigation partner in private practice, a federal judicial law clerk for the United States District Court for the District of Nebraska and a teacher for the Omaha Public Schools.

She received her bachelor and law degrees from Creighton University and a Mediator Certification from the State of Nebraska. In 2016, she was the recipient of the Women's Center for Advancement's Tribute to Women Award. Throughout her professional career, Dana has served on numerous non-profit boards dedicated to ensuring all people in the Omaha community have the opportunity to reach their full potential.

Employees

As of December 31, 2024, the Borrower employed 3,400 full-time and part-time personnel throughout the United States. In the fiscal year ended December 31, 2024, approximately 57% of the total operating expenses of the Borrower were for salaries and benefits. Other than the teachers employed by the Borrower at the Home Campus, none of the Borrower's employees are covered under

a collective bargaining agreement. Management of the Borrower believes that employee relations are good, and employee turnover is within acceptable limits.

Boys Town National Research Hospital (“BTNRH”) employs over 85 physicians as of December 31, 2024. The employment contracts for the physicians are for varying terms, none greater than three years, with options to renew.

The Borrower’s management believes that its relationship with all its employees is stable. The Borrower has few grievances filed by its employees. Nearly all past grievances have been settled without the involvement of an arbitrator. At present, the Borrower is not aware of any efforts to organize any other employee group. The Borrower has not experienced a work stoppage and considers its labor relations to be good. The Borrower has an established employee communications procedure, including provision for annual performance appraisals.

The Borrower’s cafeteria benefit program for full-time and part-time employees includes health, dental, life, and long-term disability insurance, an earned time leave system that includes vacation, sick, and holiday pay, and pension and other postretirement benefit plans. The Borrower also provides workers’ compensation and unemployment insurance for employees, offers an employee health program that includes vaccines for employees working in areas that are high risk for communicable disease such as hepatitis and has an educational assistance program for its employees.

Pension Plans and Other Postretirement Benefit Plans

The Borrower maintains a 401(k) plan and defined benefit pension plans that together cover substantially all of its employees.

All participants of the Borrower’s 401(k) plan receive a 100% match from the Borrower of up to 6% of the participant’s contributed salary on a monthly basis.

The Borrower also sponsors a defined benefit pension plan for active employees as of January 1, 1998. The plan assets for the defined benefit pension plans are held in a master trust. The benefits for employees covered by the defined benefits plans are based on the employees’ years of service and highest sixty-month average compensation. The Borrower’s policy is to fund, at a minimum, the net periodic pension cost.

Budgeting Process

The Borrower utilizes detailed budgets as a control over operations throughout the year. Its central budget department coordinates with all Borrower divisions for this process, which begins with the development of the future budgets and goals in August through November of the preceding year. Budgets and their approvals start with the cost center managers, continues through the departmental and division directors, and culminate with the CFO and CEO. The budget is then presented to the Board of Trustees for final approval.

Once implemented, the monthly budget monitoring is managed through the same organizational hierarchy described above. This includes measuring year-end projections against the current year’s budget and making mid-year adjustments as necessary to stay within budget. Budget results are reported quarterly to the Board of Trustees.

Strategic Planning

The Borrower has an Executive Committee, which works in concert with the Borrower's administrative staff to develop, maintain and update the strategic plan for the Borrower. Input is received from the Borrower's key administrators, educational staff, medical staff, hospital management and staff, volunteers, and other interested persons. Data received from surveys and commissioned consumer market and attitude surveys are considered, along with the Borrower's database and outside social service providers, in establishing a corporate strategic plan. The Board of Trustees is responsible for final approval of the Borrower's strategic plan.

FACILITIES AND SERVICES

The Borrower provides various services at each of its facilities throughout the United States. A brief description of the major program services provided by the Borrower are contained below.

Boys Town National Research Hospital and Affiliated Healthcare Operations

Boys Town National Research Hospital (BTNRH) provides medical and surgical services at one hospital location and eight outpatient clinics in the Omaha, Nebraska metropolitan area. BTNRH is recognized internationally as a leader in pediatric brain development and communication disorder research and as a referral center for children with disorders of the ear, hearing and balance, cleft lip and palate, speech, and voice, as well as related disabilities. BTNRH clinical programs served over 47,200 children and adolescents in 2024 through a total of more than 191,000 patient visits.

Boys Town Pediatrics, BTNRH's group of pediatric physicians, provides primary care and specialty pediatric medical services at seven clinic locations in the Omaha area. BTNRH employs or contracts with over 90 physicians in various subspecialties, including Allergy, Audiology, ENT, General Surgery, GI, Internal Medicine, Neurology, Ophthalmology, Outpatient Psychiatry, Physical Therapy, Rheumatology, and Speech Therapy.

BTNRH also provides medically directed behavioral health services. These services include an 80-bed Psychiatric Residential Treatment Facility (PRTF) which is attached to the hospital. This PRTF is staffed with multidisciplinary medical and behavioral health staff. BTNRH also has a 16-bed Inpatient Psychiatric Unit (IPU) attached to the hospital and the PRTF Unit. This acute care program treats the highest-risk psychiatric youth patients. The IPU is staffed with physicians, nurses, social workers, a teacher, and psychiatric technicians.

BTNRH supports a world-class research program that comprises 48 independent laboratories that focus broadly on areas of scientific inquiry related to communication and neurobehavioral disorders. For over a century, Boys Town has pioneered life-changing discoveries that directly improve care for children and families. BTNRH research spans critical areas including hearing and balance, speech and language neuroscience, behavioral health, and pediatric brain development.

As an internationally recognized leader in hearing research, BTNRH developed the newborn hearing screening technologies now used globally. BTNRH's commitment to translational research ensures that findings move from the lab to clinical practice, shaping healthier futures nationwide.

BTNRH was recently selected as a winner of the 2025 Amazon Web Services (AWS) Imagine Grant. The grant will support Boys Town's efforts to improve how hearing aids are fitted for infants and

children who are hard of hearing. The project uses machine learning to predict ear canal growth that will allow for proper fit of the hearing aid as children develop.

BTNRH also lead studies on how environmental factors influence language and learning, bilingual development, and the genetic basis of speech and language disorders.

In neuroscience, BTNRH is setting the pace through the Institute for Human Neuroscience (IHN). The IHN houses two next-generation magnetoencephalography (MEG) systems and one of only two high-density wearable optically pumped magnetometry MEG systems worldwide, enabling revolutionary research on child and adolescent brain development. Supported by NIH Centers of Biomedical Research Excellence funding, our teams investigate how brain health is shaped by environmental toxins, mental health conditions, and social determinants.

The research programs at BTNRH received almost \$18 million in external research funding in 2024.

Nebraska/Iowa Services

Nebraska/Iowa Services consists of the Family Home Program, Intervention and Assessment Services, In-Home Family Services, Foster Family Services, Successful Futures, Community Support Services including Common Sense Parenting®, the Center for Behavioral Health, Care Coordination, and others. These programs directly served over 12,400 youth and families in Nebraska and Iowa with a total of 161,000 care days in 2024.

There are approximately 60 family style treatment family homes on the Home Campus, which is in the incorporated Village of Boys Town, Nebraska. These homes have a total capacity of more than 350 youth. Six to eight troubled boys or girls from throughout the United States, with ages generally ranging from 12 to 18, live in a home with specially trained professionals called Family Teachers. Family Teachers provide treatment planning, skill development, spiritual guidance, a family-style environment, and love and care, with the help of an Assistant Family Teacher. Each home is monitored, evaluated, and advised by a Program Director and other support personnel. The program is also served by three Intervention and Assessment Homes located on Home Campus, which provide short-term intervention and assessment services for youth.

The Nebraska site operates a Center for Behavioral Health, which served 4,100 youth with behavioral problems on an outpatient basis in 2024 and is a training center for doctoral-level psychologists.

The Home Campus Educational Program

The Home Campus Educational Program operates within the Boys Town Education Center. The Village schools serve residential youth at Boys Town and provide academic and vocational training skills necessary for contemporary society. All Boys Town schools are fully accredited by the state of Nebraska and the North Central Association. A full range of special education services is provided to all youth who require this type of assistance.

The Boys Town Day School in the Village of Boys Town and the Duncan Day School in Duncan, Nebraska serve youth who cannot receive education services in a public or alternative school setting due to behavioral problems and/or academic deficiencies. These schools also serve parentally placed private youth and court-placed youth. Boys Town served 180 students in day school services in 2024.

Below is a map of the Home Campus of the Borrower.



Programs Across America

Programs Across America directly served 19,100 youth at seven affiliated sites nationwide in 2024. These affiliated sites are Boys Town Central Florida, Inc.; Boys Town Louisiana, Inc.; Boys Town Nevada, Inc.; Boys Town New England, Inc.; Boys Town North Florida, Inc.; Boys Town South Florida, Inc.; and Boys Town Washington, D.C., Inc. The Washington, D.C. site is currently closed, and Boys Town is in the process of selling the property. Programs offered throughout the nation include Intervention and Assessment Services, Family Home Program, Foster Family Services, In-Home Family Services, Community Support Services including Common Sense Parenting®, Outpatient Behavioral Health Services, Care Coordination, and others. Boys Town Youth Care programs are certified by the Council on Accreditation across all sites.

Boys Town invests and emphasizes quality through staff training, evaluation, and outcomes research by having departments committed to the quality of Boys Town's programs. The Youth Care Quality Department provides technical training, program monitoring, consultation, evaluation, and quality control/quality assurance of Boys Town's nationwide system of services. Boys Town is certified by the Council on Accreditation and the Teaching Family Association.

Boys Town National Hotline and Public Services

Boys Town National Hotline and Public Services meets the informative and public service needs of youth, parents, teachers, and youth professionals who are involved directly or indirectly with helping youth.

The Boys Town National Hotline at (800) 448-3000 helps hundreds of thousands of children and families throughout all 50 states each and every year. The Hotline provides toll-free phone, as well as text, e-mail, and chat crisis services for troubled children and families. The Hotline received approximately 100,000 contacts in 2024. The Hotline operates 24 hours a day, seven days a week, with trained, skilled, professional operators. The Hotline is equipped to handle calls from people who speak a variety of languages.

In an effort to reach the highest number of youth in need of assistance, through a medium more frequently used by youth, Boys Town has websites that provide a wide array of content to provide parents and youth with information to help with their issues and problems. In 2024, these web sites had over 3,700,000 active users.

The Hotline is the 988 Lifeline provider for the State of Nebraska. In addition to the Hotline, Boys Town also operates the Nebraska Family Helpline (the Helpline). The Helpline was conceived when Nebraska lawmakers realized families experiencing crises needed a central, knowledgeable place to go to get help or answers to their behavioral health needs. The Helpline counselors assist families in managing immediate crisis situations, making referrals, help them navigate government systems, and follow up with families to ensure they received the help they needed. The Hotline also operates the Safe2Help school tipline for the State of Nebraska currently covering 60% of all students in the state.

THE GUARANTOR

In 1941, the Borrower's Board of Trustees established a Board-Designated Endowment Fund (the "Fund"). The Fund was built largely from wills and bequests donated to the Borrower through the 1940s, 1950s, and 1960s. In 1990, the Borrower's Board of Trustees transferred the assets of the Fund to a separate entity, "Father Flanagan's Fund for Needy Children" (the "Guarantor"). The Guarantor was incorporated on January 9, 1990 as a separate nonprofit corporation under the laws of the State of Nebraska, with the Borrower as the sole member and beneficiary of the Guarantor. The Guarantor provides investment income for use in supporting programs and investment growth to sustain the programs. All current unrestricted donations are spent directly on the direct care of children. The Board of Trustees have adopted a spending guideline that calls for an annual expenditure from the Fund equal to an inflation-weighted 5 percent of the Fund's market value in order to maintain its purchasing power.

BOARD OF DIRECTORS AND MANAGEMENT OF THE GUARANTOR

The Guarantor is currently governed by a 5-member Board of Directors serving staggered 3-year terms elected from candidates proposed by a nominating committee comprised of Directors. The Board of Directors has general charge of the business and affairs of the Guarantor and may do and perform all acts necessary to carry out its purposes. The members of the Guarantor's Board of Directors serve in a voluntary capacity and receive no remuneration for service rendered in such capacity. The members of the Guarantor's Board of Directors were as follows:

Rodney J. Kempkes, Chair

Director since 2022

President and Chief Executive Officer
Father Flanagan's Boys' Home | Boys Town, NE

L. Erik Lundberg

Director since 2017

Chief Investment Officer
University of Michigan | Ann Arbor, MI

Thomas B. Barker

Director since 2023

Retired Chief Executive Officer and Chairman
West Corporation | Omaha, NE

Thomas B. Woodbury

Director since 2024

Managing Director, Office of Investments
University of Pennsylvania | Princeton, NJ

Georganne F. Perkins

Director since 2023

Former Managing Director
Fisher Lynch Capital | Kensington, CA

Cerity Partners OCIO, LLC

The Guarantor uses an outsourced investment manager, Cerity Partners OCIO, LLC (“**Cerity Partners**”) to set asset allocations and investment guidelines and to choose investment managers for the Guarantor’s and Borrower’s investments. Chris Bittman is a Partner in the Denver office of Cerity Partners, overseeing the operations and strategic direction of the firm. He has a Bachelor of Science degree from the University of Colorado and is a Certified Investment Management Analyst (CIMA®)

FINANCIAL INFORMATION OF THE BORROWER AND THE GUARANTOR

Financial Records

The Borrower and the Guarantor maintain their financial records on a calendar year ending December 31. The financial reports for the Borrower and the Guarantor are prepared under the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Statements are prepared in conformity with generally accepted accounting principles. All receivables and liabilities are recorded at the time they are known, and estimates are employed when an exact amount is unable to be determined. Set forth in Appendix B to this Official Statement are the financial statements of the Borrower and the Guarantor, on a consolidated basis, for the fiscal years ended December 31, 2023 and 2024. The financial statements have been audited by KPMG, LLP, Omaha, Nebraska, independent auditors.

Fundraising Activities

The Borrower’s marketing and fundraising activities extend throughout the United States of America, are ongoing, and are developed and managed internally. The Borrower receives donations from over one million donors annually. The 2025 fundraising expense budget is approximately \$59 million. The following table summarizes the historical fundraising activities of the Borrower.

(Dollar Amounts in thousands)

Calendar Year Ended <u>December 31,</u>	<u>Contributions</u>	<u>Legacies/Bequests</u>	<u>Total</u>
2015	\$ 69,486	\$12,796	\$ 82,282
2016	94,726	11,326	106,052
2017	94,398	12,992	107,390
2018	122,355	8,388	130,743
2019	136,457	16,073	152,530
2020	169,742	9,612	179,354
2021	197,471	12,805	210,276
2022	188,607	17,117	205,724
2023	181,882	11,911	193,793
2024	158,181	21,950	180,131

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

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Summary Financial Information

The following tables set forth a consolidated summary of revenues and expenses of the Borrower and the Guarantor for the Fiscal Years ended December 31, 2023 and 2024, as well as the (unaudited and unreviewed) nine months ended September 30, 2024 and September 30, 2025, and selected consolidated balance sheet information for the Borrower and the Guarantor at December 31, 2023 and 2024, as well as at September 30, 2024 and September 30, 2025 (unaudited and unreviewed). The following information has been derived from the audited financial statements of the Borrower and the Guarantor and should be read in conjunction therewith, the opinions expressed on the financial statements and related notes appearing in APPENDIX B to this Official Statement. The summary of revenue and expenses and selected consolidated balance sheet information for the nine-month period ended and as of September 30, 2024 and September 30, 2025 has been derived from unaudited financial information of the Borrower and the Guarantor, which, in the opinion of management of the Borrower and the Guarantor, represent a fair presentation of the revenues and expenses and balances for that period and as of that date and are contained in APPENDIX C to this Official Statement. KPMG LLP, independent auditors, has not audited or reviewed the September 30, 2024 and September 30, 2025 information contained below or in APPENDIX C to this Official Statement.

Summary Statement of Revenues and Expenses (in thousands)

	As of December 31, 2023 (audited)	As of December 31, 2024 (audited)	As of September 30, 2024 (unaudited)	As of September 30, 2025 (unaudited)
Total Revenues	\$625,263	\$610,162	\$444,207	\$453,218
Total Operating Expenses	554,547	567,600	398,505	394,467
Revenue in Excess of Expenses	\$70,716	\$42,562	\$45,702	\$58,751

Selected Balance Sheet Information (in thousands)

	As of December 31, 2023 (audited)	As of December 31, 2024 (audited)	As of September 30, 2024 (unaudited)	As of September 30, 2025 (unaudited)
Cash and Cash Equivalents	\$12,987	\$11,405	\$10,377	\$5,847
Other Current Assets	84,419	90,396	78,306	74,658
Total Current Assets	97,406	101,801	88,683	80,505
Investments and Other Long-Term Assets	1,493,699	1,546,275	1,552,319	1,617,106
Net Property and Equipment	246,732	246,353	244,947	248,950
Total Assets	1,837,837	1,894,429	1,885,949	1,946,561
Total Current Liabilities	67,924	79,341	69,186	73,000
Long-Term Debt	87,919	87,575	87,661	87,073
Total Liabilities	155,843	166,916	156,847	160,073
Total Net Assets	\$1,681,994	\$1,727,513	\$1,729,102	\$1,786,488

Management's Discussion and Analysis of Financial Performance of the Borrower

Comparison of the Year Ended December 31, 2024 to the Year Ended December 31, 2023 (in thousands):

Total revenues, gains, and other support decreased by \$15,101 from \$625,263 in 2023 to \$610,162 in 2024. This decrease is primarily the result of favorable market activity during 2023 compared to 2024. Total investment income, including realized and unrealized gains on investments, decreased \$17,077 from a gain of \$148,417 in 2023 to a gain of \$131,340 in 2024. Contributions decreased \$13,662 from \$193,793 in 2023 to \$180,131 in 2024. This decrease was due to a decrease in grant revenue in 2024 of \$11,908, in-kind donations decrease in 2024 of \$10,604, offset by an increase in legacies and bequests in 2024 of \$10,039. Program revenues increased \$18,610 from 2023 primarily due to increased services provided by health care division.

Operating expenses increased \$13,053 from \$554,547 in 2023 to \$567,600 in 2024. Salaries and benefits increased approximately \$15,669 partly due to an average increase in salaries of 4.6% and increase in health care costs for employees.

Comparison of the Nine Months Ended September 30, 2025 to the Nine Months Ended September 30, 2024 (in thousands):

Revenue for the nine months ended September 30, 2025 has increased when compared to the prior year period ended September 30, 2024. This increase is primarily the result of favorable investment performance that has been driven by a change in the organization's OCIO at the start of 2025 and approval by the Centers for Medicare & Medicaid Services for Nebraska hospitals to participate in the federal Medicaid State Directed Payment Program. Provided that BTNRH maintains a consistent payor mix, the Medicaid State Directed Payment Program is expected to generate \$18-20 million of additional revenue annually. These increases in total revenue were partially offset by slight declines in donor contributions and agency revenue for youth care services.

Expenses for the nine months ended September 30, 2025 are consistent with total expenses as of September 30, 2024 which meets management expectations. While some inflationary cost increases have been experienced in 2025, they were offset by savings identified within the youth services programs and facilities and grounds maintenance. The total increase in net assets of \$57 million since September 30, 2024 is the result of the strong investment performance in 2025 and the BTNRH Medicaid state directed payments.

Statement Regarding the Potential Impact of the One Big Beautiful Bill Act (OBBBA) on Operating Results:

At this time management does not expect OBBBA to have a significant impact on the organization's operating results. The provisions most likely to affect the organization are related to the Medicare and Medicaid programs. As a children's hospital, BTNRH does not expect to see a substantial decline in Medicaid eligible patients as the OBBBA changes focused on the adult population. The Medicaid State Directed Payment Program was also impacted by OBBBA, and while the program will remain in place, the reimbursement cap will decline annually by .5% beginning in 2028 until it reaches the new 3.5% limit. Management does not expect this change to have a material impact on the net service patient revenue earned through the state directed payment program going forward.

Investments and the Investment Policy

The Borrower and the Guarantor have established an investment policy pursuant to which the Borrower's funds and the Guarantor's funds (collectively, "Funds") will be invested in accordance with

sound investment fundamentals, with an investment objective of growth and income. The primary management of all investments is performed by external investment advisers.

The Borrower and the Guarantor have adopted an investment and spending policy that attempts to provide a predictable stream of funding for programs and debt obligations while complying with all donor-imposed restrictions. Under this policy, as approved by the board of trustees, Funds are invested in a manner that is intended to produce results that exceed inflation plus the long-term spending rate.

To satisfy its long-term rate-of-return objectives, the Borrower and the Guarantor rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Borrower and the Guarantor target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve their long-term return objectives within prudent risk constraints.

Investments are reported at fair value. Valuations provided by external investment managers and the custodian bank include observable market quotation prices and observable inputs other than quoted prices, such as matrix pricing or indexes and other methods. Investments in securities traded on a national securities exchange are valued at the latest quoted market prices. For fixed-income securities, if quoted market prices are not available, the fair values are estimated using pricing models, quoted prices of similar securities with similar characteristics, or discounted cash flows. For alternative investments in funds that do not have readily determinable fair values, including private equity funds, hedge funds, real estate, and other funds, Boys Town estimates fair value using net asset value per share or its equivalent as a practical expedient to fair value. Boys Town applies the practical expedient to its investments on an investment-by-investment basis and consistently with Boys Town's entire position in a particular investment unless it is probable that Boys Town will sell a portion of an investment at an amount different from the net asset valuation.

In line with the return objectives and risk parameters of the Funds, the mix of assets are to be generally maintained as follows (percentages are of market value of the funds):

Policy Portfolio for Father Flanagan's Fund for Needy Children
Long Term Allocation Targets

Asset Class	Min	Norm	Max
Global Equity	20%	40%	70%
Global Fixed Income	3	10	30
Absolute Return	5	10	30
Public Real Assets	3	5	10
Private Real Assets	5	10	20
Private Capital	10	25	30
Cash	0	0	20
Total		100	

No more than 40% of the Fund may be invested in assets with liquidity restrictions greater than three years.

Father Flanagan's Fund for Needy Children
Asset Allocation Report at September 30, 2025
(unaudited)

	<u>Percent of Total Fund</u>
Global Equity	44%
Global Fixed Income	9%
Absolute Return	9%
Real Assets	14%
Private Capital	21%
Cash	3%
Total Fund	100%

ENVIRONMENTAL MATTERS

The Borrower's facilities, like other types of commercial real estate, may be subject to such environmental risks which can result in substantial costs to the Borrower from any mandatory clean-up, damages, fines, or penalties that might be ordered with respect thereto. The Borrower currently has two underground gasoline and two underground oil storage tanks on the Home Campus. All are fully licensed and have passed the annual inspections by all licensing and safety agencies. Any environmental problems discovered with respect to the Borrower's facilities could have an adverse effect on the collateral value thereof.

INSURANCE

The Borrower is insured for malpractice and general liability under the terms of commercial policies issued by generally recognized commercial insurers, which provide primary coverage on an occurrence and claims-made basis. The Borrower is also covered by excess liability policies, over the primary policies for both malpractice and general liability claims.

In addition to professional and general liability insurance, the Borrower carries workers' compensation and employer's liability insurance, automobile liability insurance, and property coverage against loss of, or damage to, buildings and contents by fire and other perils, business interruption insurance, cyber liability, and certain other coverages.

Father Flanagan's Boys' Home formed a wholly owned single parent captive insurance company in 2022. The captive provides deductible reimbursement for property and workers' compensation claims. It also reinsures \$5 million excess of \$6 million layer of the \$20 million umbrella liability coverage and \$200,000 excess of \$200,000 of the medical stop loss coverage for employee health insurance.

LITIGATION

The Borrower is a large corporation and at any time, a number of suits/claims are filed against it in its ordinary course of business due to the nature of its business. The number of suits/claims filed against the Borrower have in no way been unusual or disproportionately large for an organization of its size. At this time, the Borrower does not believe that there are any pending suits/claims of a material nature.

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APPENDIX B

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS
OF FATHER FLANAGAN'S BOYS' HOME
FOR THE FISCAL YEARS
ENDED DECEMBER 31, 2024 AND 2023**

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BOYS TOWN
Consolidated Financial Statements
December 31, 2024
(With Independent Auditors' Report Thereon)

BOYS TOWN

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Independent Auditors' Report

The Board of Trustees
Father Flanagan's Boys' Home:

Opinion

We have audited the consolidated financial statements of Father Flanagan's Boys' Home d/b/a Boys Town (the Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statement of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented in the Father Flanagan's Boys Home and program-related affiliates and Father Flanagan's Fund for Needy Children columns on pages 3 and 4 and the supplementary consolidating schedules of financial position and activities on pages 33 and 34 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

KPMG LLP

Omaha, Nebraska

May 30, 2025, except for footnote 13, for which the date is August 28, 2025

BOYS TOWN
 Consolidated Statement of Financial Position
 December 31, 2024
 (Dollar amounts in thousands)

Assets	Father Flanagan's Boys' Home and program- related affiliates	Father Flanagan's Fund for Needy Children – Without donor restrictions	Eliminations	Boys Town consolidated total
Cash and cash equivalents	\$ 11,405	—	—	11,405
Accounts receivable, net	51,471	561	(71)	51,961
Prepaid expenses and other	38,435	—	—	38,435
Investments	366,735	1,082,130	—	1,448,865
Beneficial interest in trust assets	97,410	—	—	97,410
Interest in Father Flanagan's Fund for Needy Children	1,082,246	—	(1,082,246)	—
Land, buildings, and equipment, net	246,353	—	—	246,353
Total assets	\$ 1,894,055	1,082,691	(1,082,317)	1,894,429
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 28,479	—	—	28,479
Accrued liabilities	39,174	445	(71)	39,548
Annuity contracts	11,314	—	—	11,314
Long-term debt, net	87,575	—	—	87,575
Total liabilities	166,542	445	(71)	166,916
Net assets:				
Without donor restrictions:				
Designated by the board	1,183,499	1,082,246	(1,082,246)	1,183,499
Undesignated	361,138	—	—	361,138
Total without donor restrictions	1,544,637	1,082,246	(1,082,246)	1,544,637
With donor restrictions:				
Restricted by purpose and time	68,717	—	—	68,717
Perpetual in nature	114,159	—	—	114,159
Total with donor restrictions	182,876	—	—	182,876
Total net assets	1,727,513	1,082,246	(1,082,246)	1,727,513
Total liabilities and net assets	\$ 1,894,055	1,082,691	(1,082,317)	1,894,429

See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Activities

Year ended December 31, 2024
(Dollar amounts in thousands)

	Father Flanagan's Boys' Home and program-related affiliates			Father Flanagan's Fund for Needy Children –	Boys Town consolidated total
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations
Revenue, gains, and other support:					
Contributions	\$ 124,904	4,684	129,588	—	—
In-kind donations	28,593	—	28,593	—	—
Legacies and bequests	16,070	5,880	21,950	—	—
Program service revenue	287,842	—	287,842	—	—
Other revenue	3,945	—	3,945	28	—
Investment return, net	27,084	6,813	33,897	97,443	—
Change in value of beneficial interest in trust assets	—	6,876	6,876	—	—
Net assets released from restrictions	7,946	(7,946)	—	—	—
Total revenue, gains, and other support	496,384	16,307	512,691	97,471	—
Expenses:					
Program services	480,955	—	480,955	—	—
Supporting services	86,449	—	86,449	196	—
Total expenses	567,404	—	567,404	196	—
Revenue, gains, and other support over (under) expenses	(71,020)	16,307	(54,713)	97,275	—
Change in net assets of Father Flanagan's Fund for Needy Children	43,426	—	43,426	(43,426)	—
Support from Father Flanagan's Fund for Needy Children	53,849	—	53,849	(53,849)	—
Actuarial loss on annuity trust obligations	(1,061)	—	(1,061)	—	(1,061)
Pension-related changes other than service cost	4,018	—	4,018	—	4,018
Increase (decrease) in net assets	29,212	16,307	45,519	43,426	(43,426)
Net assets, beginning of year	1,515,425	166,569	1,681,994	1,038,820	(1,038,820)
Net assets, end of year	\$ 1,544,637	182,876	1,727,513	1,082,246	(1,082,246)

See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Cash Flows

Year ended December 31, 2024
(Dollar amounts in thousands)

Cash flows from operating activities:

Increase in net assets	\$ 45,519
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Pension-related charges other than net periodic pension cost	(3,788)
Actuarial loss on annuity trust obligations	1,061
Net periodic pension benefit	(36)
Realized and unrealized gain on investments, net	(127,903)
Change in value of beneficial interest in trust assets	(6,876)
Loss on sale and conversion of building and equipment	110
Depreciation	19,713
Contributions restricted for long-term investments	(1,645)
Other	1,131
Net changes in assets and liabilities:	
Increase in accounts receivable	(189)
Increase in prepaid expenses and other	(1,774)
Decrease in beneficial interest in trust assets	773
Increase in accounts payable	8,324
Increase in accrued liabilities	3,197
Decrease in pension asset	11
Net cash used in operating activities	<u>(62,372)</u>

Cash flows from investing activities:

Purchases of buildings and equipment	(18,574)
Purchase of assets restricted to investment in building and equipment	(1,547)
Proceeds from sale and conversion of building and equipment	47
Proceeds from sale of investments	2,580,340
Purchases of investments	<u>(2,498,909)</u>

Net cash provided by investing activities 61,357

Cash flows from financing activities:

Proceeds from gift annuities issued	1,209
Contributions restricted for long-term investment	1,645
Payments on long-term obligations	<u>(3,421)</u>
Net cash used in financing activities	<u>(567)</u>
Net decrease in cash and cash equivalents	<u>(1,582)</u>

Cash and cash equivalents, beginning of year

12,987

Cash and cash equivalents, end of year

\$ 11,405

Supplemental disclosures of cash flow information:

Cash paid during the year for interest	\$ 2,370
Lease liabilities arising from obtaining operating right-of-use assets	355

Noncash operating and investing activity:

Purchases of buildings and equipment in accounts payable	\$ 884
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See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Functional Expenses

Year ended December 31, 2024
(Dollar amounts in thousands)

	Program services						Supporting services			Total expenses
	Nebraska/ Iowa Services	Home Campus Educational Program	Programs Across America	Boys Town National Research Hospital	Boys Town National Hotline and Public Services	Total	Management and general	Fundraising	Total	
Salaries	\$ 42,666	15,076	31,792	138,723	10,392	238,649	12,121	5,483	17,604	256,253
Employee benefits	12,484	4,867	7,975	32,549	3,028	60,903	3,440	1,480	4,920	65,823
Payroll taxes	3,127	1,101	2,486	8,992	766	16,472	795	409	1,204	17,676
Total salaries and related expenses	58,277	21,044	42,253	180,264	14,186	316,024	16,356	7,372	23,728	339,752
Specific assistance to youth	5,604	600	1,490	110	—	7,804	5	3	8	7,812
Occupancy	3,416	1,925	2,950	6,518	233	15,042	468	103	571	15,613
Contract services	4,275	1,813	4,413	10,207	249	20,957	757	1,382	2,139	23,096
Supplies	2,131	1,159	1,047	27,875	308	32,520	293	239	532	33,052
Printing and publications	129	36	36	496	416	1,113	334	31,875	32,209	33,322
Postage	147	40	38	242	216	683	585	15,477	16,062	16,745
Equipment – rental and maintenance	746	308	325	2,359	47	3,785	86	45	131	3,916
Professional fees	407	127	1,074	7,976	28,916	38,500	3,742	2,970	6,712	45,212
Travel	886	78	988	881	322	3,155	99	163	262	3,417
Information technology	1,985	703	1,610	10,373	721	15,392	1,281	555	1,836	17,228
Communications	467	38	453	449	59	1,466	67	25	92	1,558
Interest	420	545	137	617	37	1,756	85	15	100	1,856
Other	704	102	827	1,887	158	3,678	538	1,092	1,630	5,308
Total expenses before depreciation	79,594	28,518	57,641	250,254	45,868	461,875	24,696	61,316	86,012	547,887
Depreciation of buildings and equipment	3,467	2,730	1,439	11,191	253	19,080	559	74	633	19,713
Total expenses	\$ 83,061	31,248	59,080	261,445	46,121	480,955	25,255	61,390	86,645	567,600

See accompanying notes to consolidated financial statements.

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

(1) Nature of Operations

Father Flanagan's Boys' Home, a nonsectarian, not-for-profit organization, and its affiliates, governed by a volunteer board, operate as Boys Town. Boys Town's mission is to change the way America cares for children and families. Boys Town accomplishes this by providing a wide array of programs on a vast continuum of compassion-based services, designed to reunite and strengthen families. Services include, but are not limited to, housing, treatment, support, and/or educational services for individual at-risk youth in our residential programs as well as working directly with at-risk families in their own homes to provide them with the skills, resources, and support necessary to help keep their family together. Boys Town provides inpatient and outpatient psychiatric, psychological, and medical care as well as a spectrum of mental health services both online and through our crises intervention center.

In 2024, Boys Town reached hundreds of thousands of children and families nationwide with timely, life-changing care. Through support in schools, intervention at home or specialized treatment in clinical settings, our comprehensive approach ensures families receive the help they need, when and where they need it most.

A description of the major program services is as follows:

- **Nebraska and Iowa Services** consist of the Family Home Program, Intervention and Assessment Services, In-Home Family Services, Foster Family Services, Common Sense Parenting®, Successful Futures, the Center for Behavioral Health, Care Coordination, and others. These programs directly served over 12,400 youth and families in Nebraska/Iowa with a total of 161,000 care days.

Boys Town operates approximately 60 family-style Family Homes on the Home Campus, which is in the incorporated Village of Boys Town, Nebraska (the Village). These homes have a total capacity of more than 350 youth. Six to eight troubled boys or girls from throughout the United States of America, with ages generally ranging from 12 to 18, live in a home with a specially trained professionals called Family Teachers. The Family Teacher provides treatment planning, skill development, spiritual guidance, a family-style environment, and love and care, with the help of an Assistant Family Teacher. Each home is monitored, evaluated, and advised by a Program Director and other support personnel. In 2024, these homes provided 107,727 care days. The program is also served by three Intervention and Assessment Homes located on the Home Campus. The Intervention and Assessment Homes provide short-term services for youth typically in crises for a total of 4,026 care days. In addition to its residential program, Boys Town also operates Foster Family Services program, In-Home Family Services, and Community Support Services programs in Nebraska and Iowa.

The Nebraska site operates a Center for Behavioral Health, which served 4,100 youth in 2024 with behavioral problems on an outpatient basis and is a training center for doctoral-level psychologists. In schools nationwide, Boys Town education experts work with educators to implement a unique approach that we call the Boys Town Education Model®. Built and refined on decades of research and experience, the Education Model provides a comprehensive approach to addressing the behavioral and social needs of students. In 2024, 10,000 teachers were trained.

- **The Home Campus Educational Program** operates within the Boys Town Education Center. The Village schools serve residential youth at Boys Town and provide academic and vocational training

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

skills necessary for contemporary society. All Boys Town's schools are fully accredited by the state of Nebraska and the North Central Association. A full range of special education services is provided to all youth who require this type of assistance.

The Boys Town Day School in the Village and the Duncan Day School in Duncan, Nebraska serve youth who cannot receive education services in a public or alternative school setting due to behavioral problems and/or academic deficiencies. These schools have also served parentally placed private youth and court-placed youth. Boys Town served 180 students in day school services in 2024.

- **Programs across America** directly served over 19,100 youth at seven affiliated sites nationwide in 2024. These affiliated sites are Boys Town Central Florida, Inc.; Boys Town Louisiana, Inc.; Boys Town Nevada, Inc.; Boys Town New England, Inc.; Boys Town North Florida, Inc.; Boys Town South Florida, Inc.; and Boys Town Washington, D.C., Inc.

Programs offered throughout the nation include Intervention and Assessment Services, Family Home Program, Foster Family Services, In-Home Family Services, LIFT Together with Boys Town, Common Sense Parenting®, Outpatient Behavioral Health Services, Care Coordination, and others. Boys Town Youth Care programs are certified by the Council on Accreditation (COA) across all sites.

Boys Town invests and emphasizes quality through staff training, evaluation, and outcomes research by having departments committed to the quality of Boys Town's programs. The Youth Care Program Quality Department provides technical training, program monitoring, consultation, evaluation, and quality control/quality assurance of Boys Town's nationwide system of services. Boys Town is certified by COA and the Teaching Family Association.

- **Boys Town National Research Hospital (BTNRH)** provides medical and surgical services at one hospital location and eight outpatient clinics in the Omaha, Nebraska metropolitan area. BTNRH is recognized internationally as a leader in pediatric brain development and communication disorder research and as a referral center for children with disorders of the ear, hearing and balance, cleft lip and palate, speech, and voice, as well as related disabilities. BTNRH clinical programs served over 47,200 children and adolescents in 2024 and had a total of 191,000 patient visits.

Boys Town Pediatrics, BTNRH's group of pediatric physicians, provides primary care and specialty pediatric medical services at seven clinic locations in the Omaha area. BTNRH employs or contracts with over 90 physicians in various subspecialties, including Allergy, Audiology, ENT, General Surgery, GI, Internal Medicine, Neurology, Ophthalmology, Outpatient Psychiatry, Physical Therapy, Rheumatology, and Speech Therapy.

BTNRH also provides medically directed behavioral health services. These services include an 80-bed Psychiatric Residential Treatment Facility (PRTF), which is attached to the hospital. This PRTF is staffed with multidisciplinary medical and behavioral health staff. BTNRH also has a 16-bed Inpatient Psychiatric Unit (IPU) attached to the hospital and PRTF Unit. This acute care program treats the highest-risk psychiatric youth patients. The IPU is staffed with physicians, nurses, social workers, a teacher, and psychiatric technicians. These two programs provided 28,000 care days. Boys Town also has a network of telehealth sites across Nebraska to serve patients in their local area.

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

BTNRH supports a world-class research program that comprises 48 independent laboratories that focus broadly on areas of scientific inquiry related to communication disorders, neurobehavioral disorders including brain development, and behavioral health. The research programs at BTNRH received over \$17,917 in external research funding in 2024.

- **Boys Town National Hotline and Public Services** meets the informative and public service needs of youth, parents, teachers, and youth professionals who are involved directly or indirectly with helping youth.

The Boys Town National Hotline (the Hotline), at 1-800-448-3000, helps hundreds of thousands of children and families throughout all 50 states each and every year. The Hotline provides toll-free phone, as well as text, email, and chat crisis service for troubled children and families. The Hotline received approximately 100,000 contacts in 2024. The Hotline operates 24 hours a day, 7 days a week, with trained, skilled, professional operators. The Hotline is equipped to handle calls from people who speak a variety of languages. The Hotline is accredited by the American Association of Suicidology (AAS).

In an effort to reach the highest number of youth in need of assistance, through a medium more frequently used by youth, the Hotline has a website called yourlifeyourvoice.org. All of Boys Town's websites provide a wide array of content to provide parents and youth with information to help with their issues and problems. In 2024, these websites had over 3,700,000 active users.

The Hotline is the 988 Lifeline provider for the State of Nebraska. In addition to operating the Hotline, Boys Town also operates the Nebraska Family Helpline (the Helpline). The Helpline was conceived when Nebraska lawmakers realized families experiencing crises needed a central, knowledgeable place to go to get help or answers to their behavioral health needs. The Helpline counselors assist families in managing immediate crisis situations, make referrals, help them navigate government systems, and follow up with families to ensure they received the help they needed. The Hotline also operates the Safe2Help school tipline for the state of Nebraska currently covering 60% of all students in the state.

The Helpline has been honored in the press and by the Nebraska legislature for its effective service to Nebraska families.

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of the consolidated financial statements:

(a) Basis of Presentation

The accompanying consolidated financial statements include the accounts of Father Flanagan's Boys' Home, its active affiliates (Boys Town Central Florida, Inc.; Boys Town North Florida, Inc.; Boys Town Louisiana, Inc.; Boys Town Nevada, Inc.; Boys Town New England, Inc.; Boys Town South Florida, Inc.; and Boys Town Washington D.C., Inc.), Father Flanagan's Fund for Needy Children (FFFNC), and Square Mile Insurance Company, LLC. All intercompany balances and transactions have been eliminated in consolidation.

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

Boys Town and its consolidated affiliates are collectively referred to as Boys Town within this report.

(b) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets that have similar characteristics have been combined into similar categories.

- Without donor restrictions, undesignated — Net assets without donor restrictions account for resources over which the governing board has discretionary control to use in carrying on the operations of Boys Town that are not subject to donor-imposed stipulations.
- Without donor restrictions, designated by the board — Net assets consist of resources, which the governing board has determined are to be retained for the exclusive purpose of providing financial support to the various Boys Town programs.
- With donor restrictions — Net assets with donor restrictions include (1) resources currently available for use but expendable only for purposes specified by the donor or grantor or which will become available for use at a later time and (2) gifts and bequests accepted with stipulation that the principal be maintained in perpetuity or Boys Town's interest in perpetual trusts held by other trustees but which benefits Boys Town.

(c) Cash and Cash Equivalents

Cash and cash equivalents include investments with an original maturity of three months or less. Boys Town classifies any cash and cash equivalents held by external managers as investments as these funds are not intended for current operations.

(d) Interest in Net Assets of Father Flanagan's Fund for Needy Children

Because of Boys Town's relationship as FFFNC's sole member and the overall financial interrelationship of the Boys Town and FFFNC, Boys Town reports its interest in the net assets of FFFNC in the consolidated statement of financial position, with corresponding changes in those net assets reported in the accompanying consolidated statement of activities. These activities are eliminated in consolidation.

(e) Investments

Investments are reported at fair value. Valuations provided by external investment managers and the custodian bank include observable market quotation prices and observable inputs other than quoted prices, such as matrix pricing or indexes and other methods. Investments in securities traded on a national securities exchange are valued at the latest quoted market prices. For fixed-income securities, if quoted market prices are not available, the fair values are estimated using pricing models, quoted prices of similar securities with similar characteristics, or discounted cash flows. For alternative investments in funds that do not have readily determinable fair values, including private equity funds, hedge funds, real estate, and other funds, Boys Town estimates fair value using net asset value per share or its equivalent as a practical expedient to fair value. Boys Town applies the practical expedient to its investments on an investment-by-investment basis and consistently with Boys Town's entire

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

position in a particular investment unless it is probable that Boys Town will sell a portion of an investment at an amount different from the net asset valuation.

Donated investments are reported at estimated fair value at the date of receipt. Realized gains and losses on sales of investments are recognized in the consolidated statement of activities as specific investments are sold. Interest is recognized as earned. Dividend income is recognized on the ex-dividend date. All realized and unrealized gains and losses and income arising from investments are recognized in the consolidated statement of activities as increases or decreases to net assets without donor restrictions unless their use is restricted by donor stipulation or law.

(f) Fair Value Measurements

Boys Town applies the provisions included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, 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.

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 three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Boys Town has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(g) Beneficial Interest in Trust Assets

Boys Town holds a beneficial interest in assets held in perpetuity and remainder trusts, which are controlled by independent trustees. Boys Town records the beneficial interests at fair value.

(h) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost. Gifts of land, buildings, equipment, or other assets are recorded at estimated fair value when received. Provisions for depreciation are computed using the straight-line method based on the estimated useful lives of the assets.

Gifts 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 of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash

BOYS TOWN
Notes to the Consolidated Financial Statements
December 31, 2024
(Dollar amounts in thousands)

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. Contributions restricted to the purchase of property and equipment in which restrictions are met within the same year as received are reported as increases in assets without donor restrictions.

(i) Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value.

(j) Contributions

Contributions, unconditional promises to give (pledges), and donated properties and materials are recorded at their estimated fair value at date of donation. A promise to give is conditional on the basis of whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. A conditional promise to give becomes an unconditional promise to give when the barriers in the agreement are overcome and the promise is then reported at fair value. All contributions are considered to be available for unrestricted use unless specified by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Boys Town reports the support as without donor restrictions.

Contributions from government grants are recognized as they are earned through expenditure in accordance with the agreements. Since restrictions are fulfilled in the same period in which the revenue is recognized, Boys Town reports revenue from government grants as support without donor restrictions. In 2024, Boys Town reported \$23,364 in government grant revenue within contributions in the consolidated statement of activities.

(k) In-Kind Donations

Donated advertising is recorded as contribution revenue and program expense (professional fees) at their estimated fair value of \$28,257 in the consolidated statement of activities. Donated advertising consists of radio, television, and print materials. Donated advertising is valued based on commercial rates paid by other organizations for comparable services, which are considered Level 3 inputs in the fair value hierarchy. Management employs a third party to assist in the valuation of donated television advertising. The remaining \$336 of in-kind donations were goods and services utilized in providing care for the youth families serviced by Boys Town. Unless otherwise noted, in-kind donations did not have donor-imposed restrictions.

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

(I) Contracts with Customers

Revenue recognized under ASC Topic 606, *Revenue from Contracts with Customers*, is reported as program service revenue on the consolidated statement of activities. Receivables related to contracts with customers were \$45,211 and are reported within accounts receivable on the consolidated statement of financial position. The following table disaggregates program service revenue by major source and program during the year ended December 31, 2024.

	Nebraska Iowa Services	Home Campus Educational Services	Programs Across America	Boys Town National Research Hospital	Boys Town National Hotline and Public Services	Total
Patient service revenue	\$ 6,738	—	1,112	203,203	—	211,053
Agency revenue	24,182	9,452	29,318	7,057	6,780	76,789
Program service revenue	<u>\$ 30,920</u>	<u>9,452</u>	<u>30,430</u>	<u>210,260</u>	<u>6,780</u>	<u>287,842</u>

(i) Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration expected to be received in exchange for providing patient care. These amounts, representing transaction price, are due from patients, third-party payers (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, Boys Town bills patients and third-party payers several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are generally met when the patient is discharged or the visit is complete, typically within a 24-hour period. Performance obligations are satisfied over time, and patient service revenue is recognized when the good or services are provided, and it is believed no additional services will be provided to the patient. Because these performance obligations relate to contracts with a duration of less than one year, Boys Town elected to apply the optional exemption provided in ASC Topic 606 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Boys Town determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, and reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payers, discounts provided to uninsured and underinsured patients in accordance with policy, and/or implicit price concessions based on the historical collection experience of patient accounts. Boys Town determines the transaction prices associated with services provided to patients who have third-party payer coverage based on reimbursement terms per contractual agreements, discount

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

policies, and historical experience. For uninsured patients who do not qualify for charity care, Boys Town determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet Boys Town's criteria for "charity" care are provided care without charge; such amounts are not reported as revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Settlements with third-party payers for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payer, correspondence from the payer, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews, and investigations.

Boys Town uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing patient services revenue on an individual contract basis. The portfolios consist of types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, Boys Town believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

BTNRH comprises 96% of Boys Town's patient service revenue. BTNRH has agreements with third-party payers that provide for payments at amounts different from their established rates.

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing the average discounted ratio of cost to charges. Clinic services are paid based on fee schedule amounts.

Revenue from the Medicaid program accounted for approximately 15% of net patient service revenue for the year ended December 31, 2024. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Boys Town has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment under these agreements includes discounts from established charges, prospectively determined per diem rates, fee schedules, and prospectively determined rates per discharge.

BOYS TOWN
 Notes to the Consolidated Financial Statements
 December 31, 2024
 (Dollar amounts in thousands)

Patient service revenue recognized by BTNRH in 2024 by major payor sources and reported as program service revenue on the consolidated statement of activities is as follows:

Medicaid	\$ 30,881
Commercial insurance and other	
third-party payers	170,181
Patient (self-pay)	<u>2,141</u>
 Patient service revenue	 <u>\$ 203,203</u>

(ii) Agency Revenue

Agency revenue is reported at the amount that reflects the consideration expected to be received in exchange for providing services to youth and families. These revenues are due primarily from contracts with government agencies and may contain fiscal funding clauses. Boys Town is not aware of any contracts where the likelihood of the funding clause to be triggered is more than remote.

Agency revenue is recognized as performance obligations are satisfied. Generally, revenue for performance obligations related to contracts with agencies is satisfied over time and recognized based on a specified transaction price within the contract or stated reimbursable expenses. Boys Town believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the input needed to satisfy the obligation. Boys Town bills monthly after services are provided and typically measures the performance obligation based on time youth and families receive services or the passage of time for the contract term. Because Boys Town has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance to date, Boys Town has elected to apply the as-invoiced practical expedient provided in ASC Topic 606 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

(m) Leases

Boys Town determines if an arrangement is or contains a lease at contract inception. The organization recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating and finance leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective-interest method.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease

BOYS TOWN

Notes to the Consolidated Financial Statements

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(Dollar amounts in thousands)

payments, less the unamortized balance of the lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to Boys Town or Boys Town is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Operating lease ROU assets are reported as part of prepaid expenses and other assets on the consolidated statement of financial position. Finance lease ROU assets are included in land, buildings, and equipment, net.

Boys Town has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Boys Town recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Boys Town leases.

Boys Town leases generally include non-lease maintenance services (i.e., common area maintenance or equipment maintenance) and other non-lease components. Boys Town has elected the practical expedient to account for the lease and non-lease components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability include all the fixed consideration in the contract.

(n) Income Taxes

Boys Town and its affiliates have been recognized as a tax-exempt organization by the Internal Revenue Service (IRS) as described in Section 501(c)(3) of the Code, and, therefore, is exempt from income taxes on related income under Section 501(a) of the Code. Boys Town accounts for uncertainties in accounting for income tax assets and liabilities by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2024, Boys Town had no uncertain tax positions accrued.

(o) Pension Plans

Boys Town has a defined-benefit pension plan for active employees as of January 1, 1998. Boys Town records annual amounts relating to its pension plan based on calculations that incorporate various actuarial and other assumptions, including discounts rates, mortality, assumed rates of return, and compensation increases. Boys Town reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in pension-related changes other than net periodic pension cost and amortized to net periodic cost over future periods using the corridor method. Boys Town believes that the assumptions utilized in recording its obligations under its plan are reasonable based on its experience and market conditions.

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

The net periodic costs are recognized as employees render the services to earn the pension benefits. Boys Town recognized the service cost component as expenses on the consolidated statement of activities and is included in employee benefits on the consolidated statement of functional expenses.

(p) Retained Financial Risk

Boys Town uses a combination of insurance and self-insurance mechanisms to provide for potential liabilities for employee healthcare benefit, workers' compensation, professional liability, general liability, and property damage. Liabilities associated with the risks that are retained by Boys Town are estimated, in part, by considering historical claims experience and evaluations of outside experts, demographic factors, and severity factors. The estimated accrual for these liabilities could be affected if future occurrences and claims differ from these assumptions and historical trends. As of December 31, 2024, self-insurance liability was \$3,308 and is included in accrued liabilities in the consolidated statement of financial position.

(q) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) Liquidity

As of December 31, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

Financial assets:		
Cash and cash equivalents	\$	9,473
Accounts receivable, net		50,198
Investments		169,864
Board designations:		
Maintenance		2,465
FFFNC appropriation		54,751
Neurobehavioral research		148
Total financial assets available within one year		
	\$	<u>286,899</u>

Boys Town has seasonality of cash flows due to timing of contributions. This seasonality is mitigated through annual appropriation of funds from FFFNC. Although Boys Town has a line of credit available, it is not part of management's liquidity strategy to utilize these funds. Boys Town invests cash in excess of daily requirements in short-term investments. Board designated funds and endowments with donor restrictions

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contain investments with provisions that would reduce the total investments that could be made available and therefore are not included above.

(4) Fair Value Measurements

The following table presents assets that are measured at fair value on a recurring basis and their level within the fair value hierarchy at December 31, 2024:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 11,405	11,405	—	—
Beneficial interest in trust assets	97,410	36	—	97,374
Short-term investments	107,301	107,301	—	—
Equities:				
Domestic	138,527	138,527	—	—
International	1,798	1,798	—	—
Fixed income:				
U.S. Treasury securities	76,580	76,580	—	—
Asset backed	17,001	—	17,001	—
Corporate and agency	30,991	—	30,991	—
Mutual funds:				
Equity	60,399	60,399	—	—
Fixed income	6,040	6,040	—	—
International	3,319	3,319	—	—
Real estate	662	—	662	—
Investments measured at net asset value ¹ :				
Global equity funds	384,650			
Absolute return funds	219,456			
Long/short equity	572			
Private equity funds	275,116			
Energy funds	78,350			
Real assets	48,103			
Total	<u>\$ 1,557,680</u>	<u>405,405</u>	<u>48,654</u>	<u>97,374</u>

¹ Certain investments that are measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are presented to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

Beneficial interest in trust assets represents Boys Town's interest in assets held in perpetuity and remainder trust controlled by independent trustees. The estimated value of assets held by independent

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trustees is Boys Town's percentage interest in the fair value of the underlying investments as reported by the independent trustees (Level 3 inputs).

Below is a summary of investments accounted for at net asset value:

	Fair value	Unfunded commitments	* Redemption frequency (if currently eligible)	Redemption notice period
Global equity funds (a)	\$ 384,650	—	w/m	3-30 Days
Absolute return funds (b)	219,456	—	q/sa	60-90 Days
Long/short equity (c)	572	—	N/A	N/A
Private equity funds (d)	275,116	92,234	N/A	N/A
Energy funds (e)	78,350	9,722	N/A	N/A
Real assets (f)	48,103	31,367	N/A	N/A
	\$ 1,006,247	133,323		

* w – weekly, m – monthly, q – quarterly, sa – semiannual, N/A - not applicable

- (a) This class includes investments in funds that primarily invest in U.S. and international listed equity securities.
- (b) The class includes investments in funds that invest in a mix of securities, including equities and fixed income. The funds are primarily multi-strategy in their approach and may include tactics such as risk arbitrage, distressed credit, other long-short strategies, and event-driven strategies with long-short equity and credit exposure. Of this balance, \$31,000 is restricted for the next 13–24 months and \$30,000 is illiquid.
- (c) This category includes investments in funds that primarily invest in U.S. common stocks. Of this class, 100% employ a long-short strategy and are illiquid.
- (d) This class includes investments in private equity funds that invest primarily in private companies at various stages of development and maturity. These include funds pursuing a leverage buyout, growth equity, or venture capital strategy through investments across the capital structure. These investments can never be redeemed with the fund. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 13 years after the commitment date to each individual fund.
- (e) This class includes energy funds that invest primarily in interest of oil and gas properties. The fair value of the investments in the energy funds has been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from energy funds will be received from the production and marketing of oil and gas and upon final sale of the underlying interest in the properties. It is estimated that the underlying assets of the fund will be liquidated over the next 15 years.

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(f) This class includes a real estate funds that employs a value-add strategy across multiple property types, including multifamily, office, industrial, and retail. The fair values of the investments in the private equity funds have been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from the real estate fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 14 years, but this class also includes a perpetual life real estate assets with no set term.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of Boys Town's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that, if Boys Town were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

(5) Land, Buildings, and Equipment, Net

Land, buildings, and equipment, net as of December 31, 2024 are as follows:

Land	\$ 5,688
Buildings	319,596
Equipment	161,166
Construction in process	<u>6,137</u>
	492,587
Less accumulated depreciation	<u>246,234</u>
	\$ <u>246,353</u>

(6) Long-Term Debt, Net

Total notes and bonds payable as of December 31, 2024 are summarized below:

(a) Term refinance, due September 1, 2028	\$ 30,090
(b) Term bond, Series 2020, due July 2030	55,930
(c) Term loan, unsecured due, June 17, 2025	789
(d) Term loan, unsecured due, June 17, 2025	<u>290</u>
Total long-term debt	87,099
Unamortized premium	961
Unamortized discounts	<u>(485)</u>
Total long-term debt, net of discounts	\$ <u>87,575</u>

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- (a) In November 2017, Boys Town issued a revenue refunding bond through the Village of Boys Town at a premium of \$1,014 for net proceeds of \$31,104. Unamortized premium at December 31, 2024 is \$374. Interest is payable semiannually at 3% per annum.
- (b) On October 1, 2020, Boys Town issued a revenue refunding bond through the Village whose proceeds will be used for infrastructure improvements and other capital projects. The bond was issued at a premium of \$450 for a net proceeds of \$56,157. Unamortized premium at December 31, 2024 is \$102. Interest is payable semiannually at rates that vary between 2.38% and 3%. Bonds are callable starting July 1, 2030.
- (c) Payable in monthly installments at a rate of 2.0% per annum
- (d) Payable in monthly installments at a rate of 2.0% per annum

Boys Town had an available line of credit totaling \$10,000 as of December 31, 2024, of which none was drawn down.

The following table presents aggregate debt maturities as of December 31, 2024:

2025	\$ 1,079
2026	—
2027	—
2028	30,090
2029	—
Thereafter	<u>55,930</u>
Total long-term debt	\$ <u>87,099</u>

(7) Pension Plans

Boys Town sponsors a 401(k) plan and defined-benefit pension plan that together cover substantially all of its employees.

All participants of Boys Town's 401(k) plan receive a match of 100% up to 6% of the participant's contributed salary on a monthly basis. Total employer expense to the 401(k) plan was \$11,292 for the year ended December 31, 2024.

Boys Town sponsored a defined-benefit pension plan for employees who were active as of January 1, 1998. The plan assets are held in a master trust. The benefits are based on the employees' years of service and highest 60-month average compensation. Boys Town's policy is to fund, at a minimum, the net periodic pension cost.

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The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement date of December 31, 2024:

	Pension benefits
Change in benefit obligation:	
Benefit obligation at beginning of year	\$ 57,627
Service cost	248
Interest cost	2,632
Actuarial loss	(3,635)
Benefits and expenses paid	(5,016)
Settlement	<u>(764)</u>
Benefit obligation at end of year	<u>51,092</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	59,235
Actual return on plan assets	3,005
Employer contribution	53
Benefits and expenses paid	<u>(5,781)</u>
Fair value of plan assets at end of year	<u>56,512</u>
Funded status at end of year	<u>\$ 5,420</u>

The funded status of the plan is reflected in prepaid expenses and other on the consolidated statement of financial position. The accumulated benefit obligation for the defined-benefit pension plan was \$50,720 at December 31, 2024.

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The following table is a summary of the components of net periodic benefit cost prior to settlement and other amounts recognized in the consolidated statement of activities for the year ended December 31, 2024:

	Pension benefits
Service cost	\$ 248
Interest cost	2,632
Expected return on plan assets	(3,403)
Amortization of net loss (benefit)	<u>487</u>
Net periodic (benefit) cost	<u>(36)</u>
Net gain	(3,157)
Amortization of gain (loss)	(488)
Adjustment to recognize funded status	<u>(143)</u>
Other changes	<u>(3,788)</u>
Total amounts recognized in the consolidated statement of activities	\$ <u>(3,824)</u>

The components of net periodic benefit cost other than the service cost component are included in the line item pension-related changes other than service cost on the consolidated statement of activities.

The estimated net loss and prior service cost (credit) that will be amortized from net assets without donor restrictions into net periodic benefit cost in 2025 are as follows:

	Pension benefits
Net loss (benefit)	\$ 125
Prior service credit	<u>—</u>
Net amount	<u>\$ 125</u>

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Weighted average assumptions used to determine benefit obligations at December 31, 2024 are as follows:

	Employee plan
Discount rate	5.50 %
Expected long-term rate of return on assets	6.00
Rate of compensation increase	3.00

Weighted average assumptions used to determine net periodic cost for the year ended December 31, 2024 are as follows:

	Employee plan
Discount rate	4.90 %
Expected long-term return on plan assets	6.00
Rate of compensation increase	3.00

The expected long-term return on plan assets is based on the asset allocation mix and historical returns, taking into account current and expected market conditions. The actual return (loss) on pension plan assets was approximately 5.3% in 2024. Boys Town's annualized 10-year rate of return on plan assets is approximately 4.4%.

Boys Town's pension plan weighted average asset allocation at December 31, 2024 and target allocation for 2024 are as follows:

	Target allocation 2024	Plan assets at December 31, 2024
Equity securities	22 %	17 %
Fixed income	67	67
Alternative investments	11	16
Total	100 %	100 %

The Boys Town pension committee adopted a liability-driven investment (LDI) approach to managing the pension assets. The goal is to lengthen the duration of the assets to match the longer duration of the liabilities.

The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve a target of an average long-term rate of return of 6.0%. Management believes that Boys Town can

BOYS TOWN
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achieve a long-term average rate of return of 6.0% but cannot be certain that the portfolio will perform to expectations. Assets are strategically allocated between several equity asset classes and debt securities in order to achieve a diversification level that mitigates wide swings in investment returns. Asset allocation target ranges are reviewed annually. Actual asset allocations are monitored, and rebalancing actions are executed quarterly, if needed.

Pension investments in securities traded on a national securities exchange were valued at the latest quoted market prices. For alternative investments for which there is no readily determinable price, Boys Town uses the net asset value reported by the underlying fund or partnership as a practical expedient to fair value. Due to the nature of these investments, changes in market conditions and the economic environment may significantly impact the net asset value of the investments and, consequently, the fair value of the Boys Town's interests. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if Boys Town were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value and the discount could be significant.

The asset allocations of Boys Town's pension plan investments and their level within the fair value hierarchy as of the December 31, 2024 measurement date were as follows:

	Total	Level 1	Level 2	Level 3
Short-term securities	\$ 1,831	1,831	—	—
Long-term investments:				
Mutual funds:				
Equity	4,648	4,648	—	—
Fixed income	36,122	36,122	—	—
International	2,935	2,935	—	—
Investments measured at net asset value ¹	<u>10,976</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total long-term investments	<u>54,681</u>	<u>43,705</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 56,512</u>	<u>45,536</u>	<u>—</u>	<u>—</u>

¹ Certain investments that are measured at fair value using net asset value per share (or equivalent) as a practical expedient have not been categorized in the fair value hierarchy.

BOYS TOWN
 Notes to the Consolidated Financial Statements
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Below is a summary of investments accounted for at net asset value:

	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>* Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Global equity funds (a)	\$ 5,875	—	daily/m	10–30 Days
Absolute return funds (b)	4,895	—	sa	60 Days
Private equity funds (c)	<u>206</u>	—	N/A	N/A
	<u>\$ 10,976</u>	<u>—</u>		

* m – monthly, sa – semiannual, N/A - not applicable

- (a) This class includes investments in funds that primarily invest in U.S. and international listed equity securities.
- (b) The class includes investments in funds that invest in a mix of securities, including equities and fixed income. The funds are primarily multi-strategy in their approach and may include tactics such as risk arbitrage, distressed credit, and other long-short strategies. Of this class, \$1,100 is restricted for the next 13–14 months and \$600 is illiquid.
- (c) This class includes real estate fund that employ a value-add strategy across multiple property types including multifamily, office, industrial, and retail. It also includes energy funds that invest primarily in interests of oil and gas properties. The fair values of the investments in the real estate funds have been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from real estate funds will be received as the underlying investments of the funds are liquidated, and distributions from energy funds will be received from the production and marketing of oil and gas and upon final sale of the underlying interest in the properties. It is estimated that the underlying assets of the fund will be liquidated over the next 18 months to 2 years.

Boys Town does not expect to make any contributions to the pension plan in 2025.

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(Dollar amounts in thousands)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years 2025 through 2034:

	Pension benefits
2025	\$ 5,019
2026	5,014
2027	4,901
2028	4,760
2029	4,525
2030–2034	20,496

(8) Net Assets Designated by the Board

Boys Town's governing board has designated, from net assets without donor restrictions, restrictions, \$1,183,499, of net assets for the following purposes as of December 31, 2024:

Bond payments	\$ 46,339
Board-designated endowments:	
Capital infrastructure	51,392
Research	3,522
Fund for Needy Children	<u>1,082,246</u>
Total funds	<u>\$ 1,183,499</u>

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December 31, 2024

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(9) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2024:

Subject to expenditure for specified purpose:	
Education and scholarships	\$ 48,595
Specific program activities	8,641
Beneficial interest in assets held in trust	
general operations	8,781
Capital	<u>2,597</u>
	<u>68,614</u>
Subject to passage of time:	
For periods after December 31, 2024	103
Investments in perpetuity to support:	
Operations	98,599
Education and scholarships	4,767
Direct care of children	5,396
Research	<u>5,397</u>
	<u>114,159</u>
Total net assets with donor restrictions	\$ <u>182,876</u>

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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors for the year ended December 31, 2024 as follows:

Purpose restrictions:	
Operations	\$ 815
Capital	32
Specific program activities	2,453
Education and scholarships	<u>4,126</u>
	<u>7,426</u>
Time restrictions expired	116
Release of appropriated endowment amounts with purpose restrictions:	
Specific program activities	6
Education and scholarships	<u>398</u>
	<u>404</u>
Total restrictions released	\$ <u>7,946</u>

Investment income and earnings on donor-restricted endowments whose investment income and earnings do not have purpose restrictions are considered received and released in the same period.

(10) Endowment

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) sets out guidelines to be considered when managing and investing donor-restricted endowment funds.

Boys Town holds endowment funds for support of its programs and operations. As required by generally accepted accounting principles, net assets and the changes therein associated with endowment funds, including funds designated by the board of trustees to function as endowments, and beneficial interest in trust assets are classified and reported based on the existence or absence of donor-imposed restrictions. The funds classified as beneficial interest in trust funds are not under the control of Boys Town, and as such, Boys Town does not appropriate these funds or control their investment policies.

The board of trustees of Boys Town has interpreted NUPMIFA as allowing Boys Town to appropriate for expenditure or accumulate so much of an endowment fund as Boys Town determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, Boys Town classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations, if any. Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Boys Town in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance

BOYS TOWN
 Notes to the Consolidated Financial Statements
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 (Dollar amounts in thousands)

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

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

Endowment net asset composition by type of fund as of December 31, 2024			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	36,901	36,901
Board-designated endowment funds	<u>1,137,160</u>	—	<u>1,137,160</u>
Total funds	\$ <u>1,137,160</u>	36,901	<u>1,174,061</u>

Changes in endowment net assets for the year ended December 31, 2024			
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 1,089,089	29,451	1,118,540
Investment return:			
Investment income, net of investment expenses	5,218	113	5,331
Net appreciation (realized and unrealized)	<u>96,871</u>	<u>2,154</u>	<u>99,025</u>
Total investment return	102,089	2,267	104,356
Appropriation of endowment assets for expenditure	(54,045)	(797)	(54,842)
Other income	27	—	27
Contributions	<u>—</u>	<u>5,980</u>	<u>5,980</u>
Endowment net assets, end of year	\$ <u>1,137,160</u>	36,901	<u>1,174,061</u>

BOYS TOWN

Notes to the Consolidated Financial Statements

December 31, 2024

(Dollar amounts in thousands)

(a) Return Objectives and Risk Parameters

Boys Town has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while complying with all donor-imposed restrictions. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed inflation plus the long-term spending rate.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Boys Town 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). Boys Town targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(c) Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

Boys Town preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary. Interest, dividend, and net appreciation of the donor-restricted endowments funds are deemed appropriated for expenditure when earned or when donor-imposed restriction is met.

For board-designated endowment funds, Boys Town appropriates distributions in its annual budget while considering the operations of Boys Town as well as expected investment returns and new endowment contributions. Spending is based on 80% of prior year's spending, adjusted for inflation, plus 20% of 5% of the average market value for the four quarters ended June 30 of the previous fiscal year. Over the long term, spending is expected to average 5% of the endowment's value with a range of 4% to 6%. Boys Town expects to achieve inflation-adjusted growth of its endowment assets from the total return on investments. Boys Town has a policy that does not permit spending from underwater donor-restricted endowment funds.

(d) Appropriation of Board-Designated Endowment Assets

For 2025, Boys Town has budgeted to appropriate \$54,751 of its board-designated endowment assets to be distributed for spending, consistent with Boys Town's spending rule described above.

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2024, no funds were "underwater."

(11) Leases

Boys Town is a lessee in several noncancelable operating leases, primarily for office space and finance leases for certain office equipment. The operating leases expire through 2033; however, many of the

BOYS TOWN
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 (Dollar amounts in thousands)

leases contain renewal options. None of these renewal options were included in the valuation of the ROU and lease liabilities since they were not considered reasonably certain.

The components of lease cost for the year ended December 31, 2024 were \$2,131. As of December 31, 2024, ROU asset, net for operating leases was \$6,084 included in prepaid expenses and other on the consolidated statement of financial position.

Maturities of lease liabilities under noncancelable leases as of December 31, 2024 are as follows:

	Operating leases
2025	\$ 1,569
2026	1,269
2027	1,023
2028	687
2029	698
Thereafter	<u>1,062</u>
Total undiscounted lease payments	6,308
Less imputed interest	<u>(233)</u>
Total lease liabilities	<u>\$ 6,075</u>

Boys Town has leases that had not yet commenced as of December 31, 2024. None of these leases create significant rights and obligations.

(12) Commitments and Contingencies

Boys Town is a defendant in a number of lawsuits incidental to its operations. In the opinion of management, the outcome of such lawsuits will not have a materially adverse effect on Boys Town's consolidated financial position or its activities.

(13) Annuity Contracts

Annuity contracts represent funds contributed to Boys Town or held in trust for the benefit of Boys Town from individuals in exchange for Boys Town's obligation to make periodic payments of fixed amounts over the remaining life of the donor. The difference between Boys Town's obligation to make periodic payments and the amount of cash received is recorded as a contribution in the period the cash is received. Upon the death of the donor or designated beneficiary, the remaining value of the gift reverts to Boys Town. Boys Town's annuity contracts liability at December 31, 2024 was 11,314.

(14) Subsequent Events

Boys Town has evaluated subsequent events from the consolidated statement of financial position date through May 30, 2025, the date at which the consolidated financial statements were issued, and determined there are no other items to disclose.

BOYS TOWN

Consolidating Schedule of Financial Position

December 31, 2024

(Dollar amounts in thousands)

Assets	Father Flanagan's Boys' Home	Boys Town North Florida, Inc.	Boys Town Nevada, Inc.	Boys Town Louisiana, Inc.	Boys Town Central Florida, Inc.	Boys Town South Florida, Inc.	Boys Town New England, Inc.	Boys Town Washington, D.C., Inc.	Eliminations	Father Flanagan's Boys' Home and program-related affiliates
Cash and cash equivalents	\$ 11,384	2	—	13	4	—	1	1	—	11,405
Accounts receivable	47,678	465	527	604	678	564	952	3	—	51,471
Prepaid and other	36,984	2	75	50	100	1,022	202	—	—	38,435
Investments	363,269	144	3,131	—	—	—	—	191	—	366,735
Beneficial interest in trust assets	97,410	—	—	—	—	—	—	—	—	97,410
Investment in consolidated subsidiaries	14,890	—	—	—	—	—	—	—	(14,890)	—
Interest in Father Flanagan's Fund for Needy Children	1,082,246	—	—	—	—	—	—	—	—	1,082,246
Land, buildings, and equipment, net	234,850	2,175	613	1,005	3,550	52	4,108	—	—	246,353
Total assets	\$ 1,888,711	2,788	4,346	1,672	4,332	1,638	5,263	195	(14,890)	1,894,055
Liabilities and Net Assets										
Liabilities:										
Accounts payable	\$ 27,896	41	39	241	98	20	123	21	—	28,479
Accrued liabilities	35,492	—	2,239	62	78	987	316	—	—	39,174
Annuity contracts	11,314	—	—	—	—	—	—	—	—	11,314
Long-term debt	86,496	290	—	—	—	—	789	—	—	87,575
Total liabilities	161,198	331	2,278	303	176	1,007	1,228	21	—	166,542
Net assets:										
Without donor restrictions:										
Designated by the board	1,183,499	—	—	—	—	—	—	—	—	1,183,499
Undesignated	361,138	2,386	1,787	292	4,076	445	3,933	21	(12,940)	361,138
Total without donor restrictions	1,544,637	2,386	1,787	292	4,076	445	3,933	21	(12,940)	1,544,637
With donor restrictions:										
Restricted by purpose and time	68,717	71	41	1,077	80	186	102	143	(1,700)	68,717
Perpetual in nature	114,159	—	240	—	—	—	—	10	(250)	114,159
Total with donor restrictions	182,876	71	281	1,077	80	186	102	153	(1,950)	182,876
Total net assets	1,727,513	2,457	2,068	1,369	4,156	631	4,035	174	(14,890)	1,727,513
Total liabilities and net assets	\$ 1,888,711	2,788	4,346	1,672	4,332	1,638	5,263	195	(14,890)	1,894,055

See accompanying independent auditors' report.

BOYS TOWN

Consolidating Schedule of Activities

Year ended December 31, 2024
(Dollar amounts in thousands)

	Father Flanagan's Boys' Home	Boys Town North Florida, Inc.	Boys Town Nevada, Inc.	Boys Town Louisiana, Inc.	Boys Town Central Florida, Inc.	Boys Town South Florida, Inc.	Boys Town New England, Inc.	Boys Town Washington, D.C., Inc.	Eliminations	Father Flanagan's Boys' Home and program-related affiliates
Without donor restriction:										
Revenue, gains, and other support:										
Contributions	\$ 118,682	488	226	3,989	444	369	698	8	—	124,904
In-kind donations	27,892	82	90	100	109	116	177	27	—	28,593
Legacies and bequests	15,947	—	—	—	—	—	123	—	—	16,070
Program service revenue	257,412	3,977	7,973	2,253	4,386	4,461	6,868	512	—	287,842
Other revenue	3,894	6	26	4	1	—	12	2	—	3,945
Investment return, net	26,805	4	275	—	—	—	—	—	—	27,084
Net assets released from restrictions	7,133	139	26	228	40	204	50	126	—	7,946
Total revenue, gains, and other support	457,765	4,696	8,616	6,574	4,980	5,150	7,928	675	—	496,384
Expenses:										
Program services	421,975	5,759	9,827	8,990	6,158	6,795	9,079	956	11,416	480,955
Supporting services	85,060	1,833	1,891	2,326	1,864	2,222	1,794	875	(11,416)	86,449
Total expenses	507,035	7,592	11,718	11,316	8,022	9,017	10,873	1,831	—	567,404
Revenue, gains, and other support under expenses	(49,270)	(2,896)	(3,102)	(4,742)	(3,042)	(3,867)	(2,945)	(1,156)	—	(71,020)
Change in net assets of Father Flanagan's Fund for Needy Children	43,426	—	—	—	—	—	—	—	—	43,426
Change in net assets affiliates	(15,961)	—	—	—	—	—	—	—	15,961	—
Support from Father Flanagan's Home	(5,789)	2,625	(2,146)	3,526	3,275	3,892	2,605	(7,988)	—	—
Support from Father Flanagan's Fund for Needy Children	53,849	—	—	—	—	—	—	—	—	53,849
Actuarial loss on annuity trust obligations	(1,061)	—	—	—	—	—	—	—	—	(1,061)
Pension-related changes other than service cost	4,018	—	—	—	—	—	—	—	—	4,018
Increase (decrease) in net assets without donor restriction	29,212	(271)	(5,248)	(1,216)	233	25	(340)	(9,144)	15,961	29,212
With donor restriction:										
Contributions	4,417	—	22	—	—	186	59	—	—	4,684
Legacies and bequests	5,880	—	—	—	—	—	—	—	—	5,880
Investment return, net	6,791	5	—	—	—	—	—	17	—	6,813
Change in value of beneficial interest in trust assets	6,876	—	—	—	—	—	—	—	—	6,876
Change in net assets affiliates	(524)	—	—	—	—	—	—	—	524	—
Net assets released from restrictions	(7,133)	(139)	(26)	(228)	(40)	(204)	(50)	(126)	—	(7,946)
Increase (decrease) in net assets with donor restriction	16,307	(134)	(4)	(228)	(40)	(18)	9	(109)	524	16,307
Net assets, beginning of year	1,681,994	2,862	7,320	2,813	3,963	624	4,366	9,427	(31,375)	1,681,994
Net assets, end of year	\$ 1,727,513	2,457	2,068	1,369	4,156	631	4,035	174	(14,890)	1,727,513

See accompanying independent auditors' report.



BOYS TOWN
Consolidated Financial Statements
December 31, 2023
(With Independent Auditors' Report Thereon)

BOYS TOWN

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Independent Auditors' Report

The Board of Trustees
Father Flanagan's Boys' Home:

Opinion

We have audited the consolidated financial statements of Father Flanagan's Boys' Home d/b/a Boys Town (the Organization), which comprise the consolidated statement of financial position as of December 31, 2023 and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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



In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented in the Boys Town and program-related affiliates and Father Flanagan's Fund for Needy Children columns on pages 3 and 4 and the supplementary consolidating schedules of financial position and activities on pages 32 and 33 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

KPMG LLP

Omaha, Nebraska
June 10, 2024

BOYS TOWN
 Consolidated Statement of Financial Position
 December 31, 2023
 (Dollar amounts in thousands)

Assets	Boys Town and program- related affiliates	Father Flanagan's Fund for Needy Children	Eliminations	Boys Town consolidated total
Cash and cash equivalents	\$ 12,987	—	—	12,987
Accounts receivable, net	52,027	315	(585)	51,757
Prepaid expenses and other	32,662	—	—	32,662
Investments	362,806	1,039,586	—	1,402,392
Beneficial interest in trust assets	91,307	—	—	91,307
Interest in Father Flanagan's Fund for Needy Children	1,038,820	—	(1,038,820)	—
Land, buildings, and equipment, net	246,732	—	—	246,732
Total assets	\$ 1,837,341	1,039,901	(1,039,405)	1,837,837
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 19,271	585	(585)	19,271
Accrued liabilities	48,157	496	—	48,653
Long-term debt, net	87,919	—	—	87,919
Total liabilities	155,347	1,081	(585)	155,843
Net assets:				
Without donor restrictions:				
Designated by the board	1,131,367	1,038,820	(1,038,820)	1,131,367
Undesignated	384,058	—	—	384,058
Total without donor restrictions	1,515,425	1,038,820	(1,038,820)	1,515,425
With donor restrictions:				
Restricted by purpose and time	64,400	—	—	64,400
Perpetual in nature	102,169	—	—	102,169
Total with donor restrictions	166,569	—	—	166,569
Total net assets	1,681,994	1,038,820	(1,038,820)	1,681,994
Total liabilities and net assets	\$ 1,837,341	1,039,901	(1,039,405)	1,837,837

See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Activities

Year ended December 31, 2023

(Dollar amounts in thousands)

	Boys Town and program-related affiliates			Father Flanagan's Fund for Needy Children –		Boys Town consolidated total
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	
Revenue, gains, and other support:						
Contributions	\$ 136,327	6,358	142,685	—	—	142,685
In-kind donations	39,197	—	39,197	—	—	39,197
Legacies and bequests	11,866	45	11,911	—	—	11,911
Program service revenue	269,232	—	269,232	—	—	269,232
Other revenue	6,137	—	6,137	—	—	6,137
Investment return, net	33,189	7,174	40,363	108,054	—	148,417
Change in value of beneficial interest in trust assets	—	7,684	7,684	—	—	7,684
Net assets released from restrictions	14,889	(14,889)	—	—	—	—
Total revenue, gains, and other support	510,837	6,372	517,209	108,054	—	625,263
Expenses:						
Program services	469,680	—	469,680	—	—	469,680
Supporting services	84,867	—	84,867	—	—	84,867
Total expenses	554,547	—	554,547	—	—	554,547
Revenue, gains, and other support over (under) expenses	(43,710)	6,372	(37,338)	108,054	—	70,716
Change in net assets of Father Flanagan's Fund for Needy Children	54,692	—	54,692	—	(54,692)	—
Support from Father Flanagan's Fund for Needy Children	53,362	—	53,362	(53,362)	—	—
Actuarial loss on annuity trust obligations	(861)	—	(861)	—	—	(861)
Pension-related changes other than service cost	1,900	—	1,900	—	—	1,900
Increase (decrease) in net assets	65,383	6,372	71,755	54,692	(54,692)	71,755
Net assets, beginning of year	1,450,042	160,197	1,610,239	984,128	(984,128)	1,610,239
Net assets, end of year	\$ 1,515,425	166,569	1,681,994	1,038,820	(1,038,820)	1,681,994

See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Cash Flows
Year ended December 31, 2023
(Dollar amounts in thousands)

Cash flows from operating activities:

Increase in net assets	\$ 71,755
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Pension-related charges other than net periodic pension cost	(2,252)
Actuarial loss on annuity trust obligations	861
Net periodic pension benefit	673
Realized and unrealized gain on investments, net	(134,850)
Change in value of beneficial interest in trust assets	(7,684)
Loss on sale and conversion of building and equipment	30
Depreciation	18,702
Contributions restricted for long-term investments	(4,024)
Other	326
Net changes in assets and liabilities:	
Increase in accounts receivable	(1,760)
Increase in prepaid expenses and other	(5,772)
Increase in beneficial interest in trust assets	(3,030)
Increase in accounts payable	1,099
Increase in accrued liabilities	11,572
Decrease in pension and postretirement benefit obligation	(500)
Net cash used in operating activities	<u><u>(54,854)</u></u>

Cash flows from investing activities:

Purchases of buildings and equipment	(25,056)
Proceeds from sale and conversion of building and equipment	185
Proceeds from sale of investments	2,361,555
Purchases of investments	<u><u>(2,282,903)</u></u>
Net cash provided by investing activities	

Cash flows from financing activities:

Proceeds from gift annuities issued	706
Contributions restricted for long-term investment	4,024
Payments on long-term obligations	(3,431)
Net cash provided by financing activities	

1,299

Net increase in cash and cash equivalents

Cash and cash equivalents, beginning of year 12,761

Cash and cash equivalents, end of year \$ 12,987

Supplemental disclosures of cash flow information:

Cash paid during the year for interest	\$ 2,503
Lease liabilities arising from obtaining operating right-of-use assets	1,397

Noncash operating and investing activity:

Purchases of buildings and equipment in accounts payable	\$ 500
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See accompanying notes to consolidated financial statements.

BOYS TOWN

Consolidated Statement of Functional Expenses

Year ended December 31, 2023

(Dollar amounts in thousands)

	Program services						Supporting services			
	Nebraska/ Iowa Services	Home Campus Educational Program	Programs Across America	Boys Town National Research Hospital	Boys Town National Hotline and Public Services	Total	Management and general		Total	Total expenses
							Fundraising	Total		
Salaries	\$ 40,971	13,849	32,047	129,996	9,860	226,723	12,493	5,683	18,176	244,899
Employee benefits	12,357	4,204	7,854	29,845	2,829	57,089	2,905	1,514	4,419	61,508
Payroll taxes	2,975	1,000	2,425	8,382	718	15,500	848	410	1,258	16,758
Total salaries and related expenses	56,303	19,053	42,326	168,223	13,407	299,312	16,246	7,607	23,853	323,165
Specific assistance to youth	4,653	386	1,430	156	4	6,629	—	—	—	6,629
Occupancy	3,031	1,479	3,151	6,447	184	14,292	407	99	506	14,798
Contract services	3,636	1,258	4,223	12,219	291	21,627	679	1,202	1,881	23,508
Supplies	1,943	3,455	893	23,988	376	30,655	84	236	320	30,975
Printing and publications	207	19	55	610	1,090	1,981	785	32,598	33,383	35,364
Postage	146	7	28	252	459	892	624	13,785	14,409	15,301
Equipment – rental and maintenance	451	363	314	1,788	28	2,944	67	42	109	3,053
Professional fees	726	182	456	8,271	38,218	47,853	2,855	3,575	6,430	54,283
Travel	1,001	62	1,016	733	332	3,144	95	177	272	3,416
Information technology	2,452	2,234	1,463	9,578	560	16,287	1,245	515	1,760	18,047
Communications	441	187	439	395	48	1,510	54	28	82	1,592
Interest	444	525	34	374	10	1,387	27	3	30	1,417
Other	533	86	503	1,689	181	2,992	446	859	1,305	4,297
Total expenses before depreciation	75,967	29,296	56,331	234,723	55,188	451,505	23,614	60,726	84,340	535,845
Depreciation of buildings and equipment	3,079	2,351	1,585	10,934	226	18,175	460	67	527	18,702
Total expenses	\$ 79,046	31,647	57,916	245,657	55,414	469,680	24,074	60,793	84,867	554,547

See accompanying notes to consolidated financial statements.

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

(1) Nature of Operations

Father Flanagan's Boys' Home, a nonsectarian, not-for-profit organization, and its affiliates, governed by a volunteer board, operate as Boys Town. Boys Town's mission is to change the way America cares for children and families. Boys Town accomplishes this by providing a wide array of programs on a vast continuum of compassion-based services, designed to reunite and strengthen families. Services include, but are not limited to housing, treatment, support, and/or educational services for individual at-risk youth in its residential programs as well as working directly with at-risk families to provide them with the skills, resources, and supports necessary to help keep their family together.

A description of the major program services is as follows:

- **Nebraska and Iowa Services** consist of the Family Home Program, Intervention and Assessment Services, In-Home Family Services, Foster Family Services, Common Sense Parenting®, Successful Futures, the Center for Behavioral Health, Care Coordination, and others.

Boys Town operates approximately 60 family-style Family Homes on the Home Campus, which is in the incorporated Village of Boys Town, Nebraska (the Village). These homes have a total capacity of more than 350 youth. Six to eight troubled boys or girls from throughout the United States of America, with ages generally ranging from 12 to 18, live in a home with a specially trained professional married couple called Family Teachers. The couple provides treatment planning, skill development, spiritual guidance, a family-style environment, and love and care, with the help of an Assistant Family Teacher. Each home is monitored, evaluated, and advised by a Program Director and other support personnel. The Family Homes are not mixed by gender but are mixed by age, ethnic, and religious backgrounds. The program is also served by three Intervention and Assessment Homes located on the Home Campus. The Intervention and Assessment Homes provide short-term services for youth. In addition to its residential program, Boys Town also operates Foster Family Services program, In-Home Family Services, and Community Support Services programs in Nebraska and Iowa.

The Nebraska site operates a Center for Behavioral Health, which served 4,000 youth in 2023 with behavioral problems on an outpatient basis and is a training center for doctoral-level psychologists.

- **The Home Campus Educational Program** operates within the Boys Town Education Center. The Village schools serve residential youth at Boys Town and provide academic and vocational training skills necessary for contemporary society. All Boys Town's schools are fully accredited by the state of Nebraska and the North Central Association. A full range of special education services is provided to all youth who require this type of assistance.

The Boys Town Day School in the Village and the Duncan Day School in Duncan, Nebraska serve youth who cannot receive education services in a public or alternative school setting due to behavioral problems and/or academic deficiencies. These schools meet all requirements of Level III schools under Nebraska Department of Education's Rule 51 and currently educate students from multiple school districts in Nebraska and Iowa. These schools have also served parentally placed private youth and court-placed youth. Boys Town served 190 students in day school services in 2023.

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

- **Programs across America** directly served over 10,940 youth in Nebraska/Iowa and nearly 16,400 youth at seven active affiliated sites nationwide in 2023. These affiliated sites are Boys Town Central Florida, Inc.; Boys Town Louisiana, Inc.; Boys Town Nevada, Inc.; Boys Town New England, Inc.; Boys Town North Florida, Inc.; Boys Town South Florida, Inc.; and Boys Town Washington, D.C., Inc.

Programs offered throughout the nation include Intervention and Assessment Services, Family Home Program, Foster Family Services, In-Home Family Services, LIFT Together with Boys Town, Common Sense Parenting®, Outpatient Behavioral Health Services, Care Coordination, and others. Boys Town Youth Care programs are certified by the Council on Accreditation across all sites.

Boys Town invests and emphasizes quality through staff training, evaluation, and outcomes research by having departments committed to the quality of Boys Town's programs. The Youth Care Program Quality Department provides technical training, program monitoring, consultation, evaluation, and quality control/quality assurance of Boys Town's nationwide system of services.

- **Boys Town National Research Hospital (BTNRH)** provides medical and surgical services at one hospital location and eight outpatient clinics in the Omaha, Nebraska metropolitan area. BTNRH is recognized internationally as a leader in pediatric brain development and communication disorder research and as a referral center for children with disorders of the ear, hearing and balance, cleft lip and palate, speech, and voice, as well as related disabilities. BTNRH clinical programs served over 48,100 children and adolescents in 2023 through a total of 241,400 patient visits.

Boys Town Pediatrics, BTNRH's group of pediatric physicians, provides primary care and specialty pediatric medical services at seven clinic locations in the Omaha area. BTNRH employs or contracts with over 90 physicians in various subspecialties, including Allergy, Audiology, ENT, General Surgery, GI, Internal Medicine, Neurology, Ophthalmology, Outpatient Psychiatry, Physical Therapy, Rheumatology, and Speech Therapy.

BTNRH also provides medically directed behavioral health services. These services include an 80-bed Psychiatric Residential Treatment Facility (PRTF), which is attached to the BTNRH West Hospital. This PRTF is staffed with a multidisciplinary medical and behavioral health staff. BTNRH also has a 16-bed Inpatient Psychiatric Unit (IPU) attached to the BTNRH West Hospital and PRTF Unit. This acute care program treats the highest-risk psychiatric youth patients. The IPU is staffed with physicians, nurses, social workers, a teacher, and psychiatric technicians.

BTNRH supports a world-class research program that comprises 48 independent laboratories that focus broadly on areas of scientific inquiry related to communication and neurobehavioral disorders. The research programs at BTNRH received over \$19,310 in external research funding in 2023.

- **Boys Town National Hotline and Public Services** meets the informative and public service needs of youth, parents, teachers, and youth professionals who are involved directly or indirectly with helping youth.

The Boys Town National Hotline (the Hotline), at 1-800-448-3000, helps hundreds of thousands of children and families throughout all 50 states each and every year. The Hotline provides toll-free phone, as well as text, email, and chat crisis service for troubled children and families. The Hotline received approximately 111,000 contacts in 2023. The Hotline operates 24 hours a day, 7 days a week,

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

with trained, skilled, professional operators. The Hotline is equipped to handle calls from people who speak a variety of languages.

In an effort to reach the highest number of youth in need of assistance, through a medium more frequently used by youth, the Hotline has a website called yourlifeyourvoice.org. In 2023, the website had 598,000 visits.

The Hotline is the 988 Lifeline provider for the State of Nebraska. In addition to operating the Hotline, Boys Town also operates the Nebraska Family Helpline (the Helpline). The Nebraska Family Helpline was conceived when Nebraska lawmakers realized families experiencing crises needed a central, knowledgeable place to go to get help or answers to their behavioral health needs. The Helpline counselors assist families in managing immediate crisis situations, make referrals, help them navigate government systems, and follow up with families to ensure they received the help they needed. The Hotline also operates the Safe2Help school tipline for the state of Nebraska currently covering 60% of all students in the state.

The Helpline has been honored in the press and by the Nebraska legislature for its effective service to Nebraska families.

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of the consolidated financial statements:

(a) Basis of Presentation

The accompanying consolidated financial statements include the accounts of Father Flanagan's Boys' Home, its active affiliates (Boys Town Central Florida, Inc.; Boys Town North Florida, Inc.; Boys Town Louisiana, Inc.; Boys Town Nevada, Inc.; Boys Town New England, Inc.; Boys Town South Florida, Inc.; and Boys Town Washington D.C., Inc.), Father Flanagan's Fund for Needy Children (FFFNC), , and Square Mile Insurance Company, LLC. All intercompany balances and transactions have been eliminated in consolidation.

Boys Town and its consolidated affiliates are collectively referred to as Boys Town within this report.

(b) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets that have similar characteristics have been combined into similar categories.

- Without donor restrictions, undesignated – Net assets without donor restrictions account for resources over which the governing board has discretionary control to use in carrying on the operations of Boys Town that are not subject to donor-imposed stipulations.
- Without donor restrictions, designated by the board – Net assets consist of resources, which the governing board has determined are to be retained for the exclusive purpose of providing financial support to the various Boys Town programs.

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

- With donor restrictions – Net assets with donor restrictions include (1) resources currently available for use but expendable only for purposes specified by the donor or grantor or which will become available for use at a later time and (2) gifts and bequests accepted with stipulation that the principal be maintained in perpetuity or Boys Town's interest in perpetual trusts held by other trustees but which benefits Boys Town.

(c) Cash and Cash Equivalents

Cash and cash equivalents include investments with an original maturity of three months or less. Boys Town classifies any cash and cash equivalents held by external managers as investments as these funds are not intended for current operations.

(d) Interest in Net Assets of Father Flanagan's Fund for Needy Children

Because of Boys Town's relationship as FFFNC's sole member and the overall financial interrelationship of the organization and FFFNC, Boys Town reports its interest in the net assets of FFFNC in the consolidated statement of financial position, with corresponding changes in those net assets reported in the accompanying consolidated statement of activities. These activities are eliminated in consolidation.

(e) Investments

Investments are reported at fair value. Valuations provided by external investment managers and the custodian bank include observable market quotation prices and observable inputs other than quoted prices, such as matrix pricing or indexes and other methods. Investments in securities traded on a national securities exchange are valued at the latest quoted market prices. For fixed-income securities, if quoted market prices are not available, the fair values are estimated using pricing models, quoted prices of similar securities with similar characteristics, or discounted cash flows. For alternative investments in funds that do not have readily determinable fair values, including private equity funds, hedge funds, real estate, and other funds, Boys Town estimates fair value using net asset value per share or its equivalent as a practical expedient to fair value. Boys Town applies the practical expedient to its investments on an investment-by-investment basis and consistently with Boys Town's entire position in a particular investment unless it is probable that Boys Town will sell a portion of an investment at an amount different from the net asset valuation.

Donated investments are reported at estimated fair value at the date of receipt. Realized gains and losses on sales of investments are recognized in the consolidated statement of activities as specific investments are sold. Interest is recognized as earned. Dividend income is recognized on the ex-dividend date. All realized and unrealized gains and losses and income arising from investments are recognized in the consolidated statement of activities as increases or decreases to net assets without donor restrictions unless their use is restricted by donor stipulation or law.

(f) Fair Value Measurements

Boys Town applies the provisions included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, 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

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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.

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 three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Boys Town has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(g) Beneficial Interest in Assets Held by Others

Boys Town holds a beneficial interest in assets held in perpetuity and remainder trusts, which are controlled by independent trustees. Boys Town records the beneficial interests at fair value.

(h) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost. Gifts of land, buildings, equipment, or other assets are recorded at estimated fair value when received. Provisions for depreciation are computed using the straight-line method based on the estimated useful lives of the assets.

Gifts 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 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. Contributions restricted to the purchase of property and equipment in which restrictions are met within the same year as received are reported as increases in assets without donor restrictions.

(i) Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value.

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(j) Contributions

Contributions, unconditional promises to give (pledges), and donated properties and materials are recorded at their estimated fair value at date of donation. A promise to give is conditional on the basis of whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. A conditional promise to give becomes an unconditional promise to give when the barriers in the agreement are overcome and the promise is then reported at fair value. All contributions are considered to be available for unrestricted use unless specified by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Boys Town reports the support as without donor restrictions.

Contributions from government grants are recognized as they are earned through expenditure in accordance with the agreements. Since restrictions are fulfilled in the same period in which the revenue is recognized, Boys Town reports revenue from government grants as support without donor restrictions. In 2023, Boys Town reported \$35,273 in government grant revenue within contributions in the consolidated statement of activities.

(k) In-Kind Donations

Donated advertising is recorded as contribution revenue and program expense (professional fees) at their estimated fair value of \$36,750 in the consolidated statement of activities. Donated advertising consists of radio, television, and print materials. Donated advertising is valued based on commercial rates paid by other organizations for comparable services, which are considered Level 3 inputs in the fair value hierarchy. Management employs a third party to assist in the valuation of donated television advertising. The remaining \$2,447 of in-kind donations were goods and services utilized in providing care for the youth families serviced by Boys Town. Unless otherwise noted, in-kind donations did not have donor-imposed restrictions.

(l) Contracts with Customers

Revenue recognized under ASC Topic 606, *Revenue from Contracts with Customers*, is reported as program service revenue on the consolidated statement of activities. Receivables related to contracts with customers were \$45,545 and are reported within accounts receivable on the consolidated statement of financial position. The following table disaggregates program service revenue by major source and program during the year ended December 31, 2023.

	Nebraska Iowa Services	Home Campus Educational Services	Programs Across America	Boys Town National Research Hospital	Boys Town National Hotline and Public Services	Total
Patient service revenue	\$ 7,158	—	1,484	185,444	—	194,086
Agency revenue	21,428	8,787	29,662	6,981	8,288	75,146
Program service revenue	\$ 28,586	8,787	31,146	192,425	8,288	269,232

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(i) Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration expected to be received in exchange for providing patient care. These amounts, representing transaction price, are due from patients, third-party payers (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, Boys Town bills patients and third-party payers several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are generally met when the patient is discharged or the visit is complete, typically within a 24-hour period. Performance obligations are satisfied over time, and patient service revenue is recognized when the good or services are provided, and it is believed no additional services will be provided to the patient. Because these performance obligations relate to contracts with a duration of less than one year, Boys Town elected to apply the optional exemption provided in ASC Topic 606 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Boys Town determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, and reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payers, discounts provided to uninsured and underinsured patients in accordance with policy, and/or implicit price concessions based on the historical collection experience of patient accounts. Boys Town determines the transaction prices associated with services provided to patients who have third-party payer coverage based on reimbursement terms per contractual agreements, discount policies, and historical experience. For uninsured patients who do not qualify for charity care, Boys Town determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet Boys Town's criteria for "charity" care are provided care without charge; such amounts are not reported as revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Settlements with third-party payers for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payer, correspondence from the payer, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews, and investigations.

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Boys Town uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing patient services revenue on an individual contract basis. The portfolios consist of types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, Boys Town believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

BTNRH comprises 96% of Boys Town's patient service revenue. BTNRH has agreements with third-party payers that provide for payments at amounts different from their established rates.

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing the average discounted ratio of cost to charges. Clinic services are paid based on fee schedule amounts.

Revenue from the Medicaid program accounted for approximately 17% of net patient service revenue for the year ended December 31, 2023. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Boys Town has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment under these agreements includes discounts from established charges, prospectively determined per diem rates, fee schedules, and prospectively determined rates per discharge.

Patient service revenue recognized by BTNRH in 2023 by major payor sources and reported as program service revenue on the consolidated statement of activities is as follows:

Medicaid	\$ 32,063
Commercial insurance and other	
third-party payers	151,191
Patient (self-pay)	<u>2,190</u>
Patient service revenue	<u><u>\$ 185,444</u></u>

(ii) Agency Revenue

Agency revenue is reported at the amount that reflects the consideration expected to be received in exchange for providing services to youth and families. These revenues are due primarily from contracts with government agencies and may contain fiscal funding clauses. Boys Town is not aware of any contracts where the likelihood of the funding clause to be triggered is more than remote.

Agency revenue is recognized as performance obligations are satisfied. Generally, revenue for performance obligations related to contracts with agencies is satisfied over time and recognized based on a specified transaction price within the contract or stated reimbursable expenses. Boys Town believes that this method provides a reasonable depiction of the transfer of services over the

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term of the performance obligation based on the input needed to satisfy the obligation. Boys Town bills monthly after services are provided and typically measures the performance obligation based on time youth and families receive services or the passage of time for the contract term. Because Boys Town has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance to date, Boys Town has elected to apply the as-invoiced practical expedient provided in ASC Topic 606 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

(m) Leases

Boys Town determines if an arrangement is or contains a lease at contract inception. The organization recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating and finance leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective-interest method.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of the lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to Boys Town or Boys Town is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Operating lease ROU assets are reported as part of prepaid expenses and other assets on the consolidated statement of financial position. Finance lease ROU assets are included in land, buildings, and equipment, net.

Boys Town has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Boys Town recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Boys Town leases.

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Boys Town leases generally include non-lease maintenance services (i.e., common area maintenance or equipment maintenance) and other non-lease components. Boys Town has elected the practical expedient to account for the lease and non-lease components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability include all the fixed consideration in the contract.

(n) Income Taxes

Boys Town and its affiliates have been recognized as a tax-exempt organization by the Internal Revenue Service (IRS) as described in Section 501(c)(3) of the Code, and, therefore, is exempt from income taxes on related income under Section 501(a) of the Code. Boys Town accounts for uncertainties in accounting for income tax assets and liabilities by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2023, Boys Town had no uncertain tax positions accrued.

(o) Pension Plans

Boys Town has two defined-benefit pension plans consisting of one for active employees as of January 1, 1998 and one for the executive director.

Boys Town records annual amounts relating to its pension plans based on calculations that incorporate various actuarial and other assumptions, including discounts rates, mortality, assumed rates of return, compensation increases. Boys Town reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in pension-related changes other than net periodic pension cost and amortized to net periodic cost over future periods using the corridor method. Boys Town believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

The net periodic costs are recognized as employees render the services to earn the pension benefits. Boys Town recognized the service cost component as expenses on the consolidated statement of activities and is included in employee benefits on the consolidated statement of functional expenses.

(p) Retained Financial Risk

Boys Town uses a combination of insurance and self-insurance mechanisms to provide for potential liabilities for employee healthcare benefit, workers' compensation, professional liability, general liability, and property damage. Liabilities associated with the risks that are retained by Boys Town are estimated, in part, by considering historical claims experience and evaluations of outside experts, demographic factors, and severity factors. The estimated accrual for these liabilities could be affected if future occurrences and claims differ from these assumptions and historical trends. As of December 31, 2023, self-insurance liability was \$1,043 and is included in accrued liabilities in the consolidated statement of financial position.

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(q) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) Liquidity

As of December 31, 2023, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

Financial assets:	
Cash and cash equivalents	\$ 8,005
Accounts receivable, net	51,297
Investments	186,299
Board designations:	
Maintenance	2,428
FFFNC appropriation	53,849
Neurobehavioral research	140
	<hr/>
Total financial assets available within one year	\$ <u>302,018</u>

Boys Town has seasonality of cash flows due to timing of contributions. This seasonality is mitigated through annual appropriation of funds from FFFNC. Although Boys Town has a line of credit available, it is not part of management's liquidity strategy to utilize these funds. Boys Town invests cash in excess of daily requirements in short-term investments. Board designated funds and endowments with donor restrictions contain investments with provisions that would reduce the total investments that could be made available and therefore are not included above.

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(4) Fair Value Measurements

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2023:

	December 31, 2023	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 12,987	12,987	—	—
Beneficial interest in trust assets	91,307	27	—	91,280
Investments (note 5)	392,798	372,372	20,426	—
Investments measured at net asset value ¹ (note 5)	<u>1,009,594</u>			
Total	\$ 1,506,686	385,386	20,426	91,280

¹ Certain investments that are measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are presented to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

Beneficial interest in trust assets represents Boys Town's interest in assets held in perpetuity and remainder trust controlled by independent trustees. The estimated value of assets held by independent trustees is Boys Town's percentage interest in the fair value of the underlying investments as reported by the independent trustees (Level 3 inputs).

(5) Investments

The estimated fair value of investments and their level within the fair value hierarchy at December 31, 2023 are as follows:

	Total	Level 1	Level 2	Level 3
Short-term investments	\$ 62,738	62,738	—	—
Equities:				
Domestic	103,112	103,112	—	—
Fixed income:				
U.S. Treasury securities	100,994	100,994	—	—
Asset backed	15,029	—	15,029	—
Corporate and agency	4,527	—	4,527	—
Mutual funds:				
Equity	93,544	93,544	—	—
Fixed income	7,526	7,526	—	—
International	3,782	3,782	—	—
Emerging markets	676	676	—	—

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	Total	Level 1	Level 2	Level 3
Real estate	\$ 870	—	870	—
Investments measured at net asset value ¹ :				
Global equity funds	416,548			
Absolute return funds	188,807			
Long/short equity	7,971			
Private equity funds	267,481			
Energy funds	91,322			
Real assets	37,465			
Total	<u>\$ 1,402,392</u>	<u>372,372</u>	<u>20,426</u>	—

¹ Investments that are measured at fair value using net asset value per share (or equivalent) as a practical expedient have not been categorized in the fair value hierarchy.

Below is a summary of investments accounted for at net asset value:

	Fair value	Unfunded commitments	* Redemption frequency (if currently eligible)	Redemption notice period
Global equity funds (a)	\$ 416,548	—	w/m	3–30 Days
Absolute return funds (b)	188,807	9,600	q/sa	60–90 Days
Long/short equity (c)	7,971	—	q	60 Days
Private equity funds (d)	267,481	97,749	N/A	N/A
Energy funds (e)	91,322	14,703	N/A	N/A
Real assets (f)	37,465	43,270	N/A	N/A
	<u>\$ 1,009,594</u>	<u>165,322</u>		

* w – weekly, m – monthly, q – quarterly, and sa – semiannual

- (a) This class includes investments in funds that primarily invest in U.S. and international listed equity securities.
- (b) The class includes investments in funds that invest in a mix of securities, including equities and fixed income. The funds are primarily multi-strategy in their approach and may include tactics such as risk arbitrage, distressed credit, and other long-short strategies. Of this balance, \$27,000 is restricted for the next 13–24 months and \$26,000 is illiquid.
- (c) This category includes investments in funds that primarily invest in U.S. common stocks. Of this class, 100% employ a long-short strategy. Of this balance, \$700 is illiquid.

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- (d) This class includes investments in private equity funds that invest primarily in private companies at various stages of development and maturity. These include funds pursuing a leverage buyout, growth equity, or venture capital strategy through investments across the capital structure. These investments can never be redeemed with the fund. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 13 years.
- (e) This class includes energy funds that invest primarily in interest of oil and gas properties. The fair value of the investments in the energy funds has been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from energy funds will be received from the production and marketing of oil and gas and upon final sale of the underlying interest in the properties. It is estimated that the underlying assets of the fund will be liquidated over the next 15 years.
- (f) This class includes a real estate funds that employs a value-add strategy across multiple property types, including multifamily, office, industrial, and retail. The fair values of the investments in the private equity funds have been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from the real estate fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 14 years.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of Boys Town's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that, if Boys Town were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

(6) Land, Buildings, and Equipment, Net

Land, buildings, and equipment, net as of December 31, 2023 are as follows:

Land	\$ 5,688
Buildings	317,466
Equipment	156,543
Equipment under finance lease	710
Construction in process	<u>2,690</u>
	483,097
Less accumulated depreciation	<u>236,365</u>
	<u>\$ 246,732</u>

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(7) Long-Term Debt, Net

Total notes and bonds payable as of December 31, 2023 are summarized below:

(a) Term refinance, due September 1, 2028	\$ 30,090
(b) Term bond, Series 2020, due July 2030	55,930
(c) Term loan, unsecured due, June 17, 2025	897
(d) Term loan, unsecured due, June 17, 2025	<u>344</u>
 Total long-term debt	 87,261
Unamortized discounts	(480)
Unamortized premium	<u>1,138</u>
 Total long-term debt, net of discounts	 <u>\$ 87,919</u>

- (a) In November 2017, Boys Town issued a revenue refunding bond through the Village of Boys Town at a premium of \$1,014 for net proceeds of \$31,104. Unamortized premium at December 31, 2023 is \$471. Interest is payable semiannually at 3% per annum.
- (b) On October 1, 2020, Boys Town issued a revenue refunding bond through the Village whose proceeds will be used for infrastructure improvements and other capital projects. The bond was issued at a premium of \$450 for a net proceeds of \$56,157. Unamortized premium at December 31, 2023 is \$186. Interest is payable semiannually at rates that vary between 2.8% and 3.0%. Bonds are callable starting July 1, 2030.
- (c) Payable in monthly installments at a rate of 2.0% per annum
- (d) Payable in monthly installments at a rate of 2.0% per annum

Boys Town had an available line of credit totaling \$10,000 as of December 31, 2023, of which none was drawn down.

The following table presents aggregate debt maturities as of December 31, 2023:

2024	\$ 162
2025	1,079
2026	—
2027	—
2028	30,090
Thereafter	<u>55,930</u>
 Total long-term debt	 <u>\$ 87,261</u>

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(8) Pension Plans

Boys Town sponsors a 401(k) plan and defined-benefit pension plans that together cover substantially all of its employees.

All participants of Boys Town's 401(k) plan receive a match of 100% up to 6% of the participant's contributed salary on a monthly basis. Total employer expense to the 401(k) plan was \$11,074 for the year ended December 31, 2023.

Boys Town sponsors two defined-benefit pension plans, one is for employees who were active as of January 1, 1998 and one is for the executive director. The plan assets for the pension plans are held in a master trust. The benefits are based on the employees' years of service and highest 60-month average compensation. Boys Town's policy is to fund, at a minimum, the net periodic pension cost.

The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement date of December 31, 2023:

	Pension benefits
Change in benefit obligation:	
Benefit obligation at beginning of year	\$ 58,353
Service cost	320
Interest cost	2,919
Actuarial loss	1,163
Benefits and expenses paid	<u>(5,128)</u>
Benefit obligation at end of year	<u>57,627</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	57,882
Actual return on plan assets	5,981
Employer contribution	500
Benefits and expenses paid	<u>(5,128)</u>
Fair value of plan assets at end of year	<u>59,235</u>
Funded status at end of year	<u>\$ 1,608</u>

The funded status of the plan is reflected in prepaid expenses and other on the consolidated statement of financial position. The accumulated benefit obligation for all defined-benefit pension plans was \$57,056 at December 31, 2023.

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The following table is a summary of the components of net periodic benefit cost prior to settlement and other amounts recognized in the consolidated statement of activities for the year ended December 31, 2023:

	Pension benefits
Service cost	\$ 320
Interest cost	2,919
Expected return on plan assets	(3,770)
Amortization of net loss (benefit)	<u>1,204</u>
Net periodic cost (benefit)	<u>673</u>
Net gain	(1,048)
Amortization of gain (loss)	<u>(1,204)</u>
Other changes	<u>(2,252)</u>
Total amounts recognized in the consolidated statement of activities	\$ <u>(1,579)</u>

The components of net periodic benefit cost other than the service cost component are included in the line item pension-related changes other than service cost on the consolidated statement of activities.

The estimated net loss and prior service cost (credit) that will be amortized from net assets without donor restrictions into net periodic benefit cost in 2024 are as follows:

	Pension benefits
Net loss (benefit)	\$ 1,070
Prior service credit	<u>—</u>
Net amount	<u>\$ 1,070</u>

Weighted average assumptions used to determine benefit obligations at December 31, 2023 are as follows:

	Employee plan	Executive director plan
Discount rate	4.90 %	5.00 %
Expected long-term rate of return on assets	6.00	6.00
Rate of compensation increase	3.00	3.00

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Weighted average assumptions used to determine net periodic cost for the year ended December 31, 2023 are as follows:

	Employee plan	Executive director plan
Discount rate	5.20 %	5.20 %
Expected long-term return on plan assets	6.80	6.80
Rate of compensation increase	3.00	3.00

The expected long-term return on plan assets is based on the asset allocation mix and historical returns, taking into account current and expected market conditions. The actual return (loss) on pension plan assets was approximately 10.8% in 2023. Boys Town's annualized 10-year rate of return on plan assets is approximately 4.2%.

Boys Town's pension plan weighted average asset allocation at December 31, 2023 and target allocation for 2023 are as follows:

	Target allocation 2023	Plan assets at December 31, 2023
Equity securities	28 %	24 %
Fixed income	62	62
Alternative investments	10	14
Total	100 %	100 %

The Boys Town pension committee adopted a liability-driven investment (LDI) approach to managing the pension assets. The goal is to lengthen the duration of the assets to match the longer duration of the liabilities.

The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve a target of an average long-term rate of return of 6.0%. Management believes that Boys Town can achieve a long-term average rate of return of 6.0% but cannot be certain that the portfolio will perform to expectations. Assets are strategically allocated between several equity asset classes and debt securities in order to achieve a diversification level that mitigates wide swings in investment returns. Asset allocation target ranges are reviewed annually. Actual asset allocations are monitored, and rebalancing actions are executed quarterly, if needed.

Pension investments in securities traded on a national securities exchange were valued at the latest quoted market prices. For alternative investments for which there is no readily determinable price, Boys Town uses the net asset value reported by the underlying fund or partnership as a practical expedient to fair value. Due to the nature of these investments, changes in market conditions and the economic environment may significantly impact the net asset value of the investments and, consequently, the fair value of the Boys

BOYS TOWN
 Notes to Consolidated Financial Statements
 December 31, 2023

Town's interests. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if Boys Town were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value and the discount could be significant.

The asset allocations of Boys Town's pension plan investments and their level within the fair value hierarchy as of the December 31, 2023 measurement date were as follows:

	Total	Level 1	Level 2	Level 3
Short-term securities	\$ 1,538	1,538	—	—
Long-term investments:				
Mutual funds:				
Equity	4,504	4,504	—	—
Fixed income	35,422	35,422	—	—
International	3,195	3,195	—	—
Investments measured at net asset value ¹	<u>14,576</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total long-term investments	<u>57,697</u>	<u>43,121</u>	<u>—</u>	<u>—</u>
Total	\$ 59,235	44,659	—	—

¹ Certain investments that are measured at fair value using net asset value per share (or equivalent) as a practical expedient have not been categorized in the fair value hierarchy.

Below is a summary of investments accounted for at net asset value:

	Fair value	Unfunded commitments	* Redemption frequency (if currently eligible)	Redemption notice period
Global equity funds (a)	\$ 6,493	—	daily/m	10–30 Days
Absolute return funds (b)	6,840	—	q/sa	6–65 Days
Long/short equity (c)	736	—	q	60 Days
Private equity funds (d)	<u>507</u>	<u>—</u>	N/A	N/A
	\$ 14,576	—		

* m – monthly, q – quarterly, and sa – semiannual

(a) This class includes investments in funds that primarily invest in U.S. and international listed equity securities.

BOYS TOWN
 Notes to Consolidated Financial Statements
 December 31, 2023

- (b) The class includes investments in funds that invest in a mix of securities, including equities and fixed income. The funds are primarily multi-strategy in their approach and may include tactics such as risk arbitrage, distressed credit, and other long-short strategies. Of this class, \$1,900 is restricted for the next 13–14 months and \$800 is illiquid.
- (c) This class includes investments in funds that primarily invest in U.S. common stocks. Of this class, 100% of funds employ a long-short strategy. Of this class, \$700 is restricted for the next 12 months and \$9 is illiquid.
- (d) This class includes real estate fund that employ a value-add strategy across multiple property types including multifamily, office, industrial, and retail. It also includes energy funds that invest primarily in interests of oil and gas properties. The fair values of the investments in the real estate funds have been estimated using the net asset value of Boys Town's ownership interest in partners' capital. These investments can never be redeemed with the fund. Distributions from real estate funds will be received as the underlying investments of the funds are liquidated, and distributions from energy funds will be received from the production and marketing of oil and gas and upon final sale of the underlying interest in the properties. It is estimated that the underlying assets of the fund will be liquidated over the next year.

Boys Town does not expect to make any contributions to the pension plans in 2024.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years 2024 through 2033:

	<u>Pension benefits</u>
2024	\$ 4,899
2025	5,093
2026	5,117
2027	5,003
2028	4,864
2029–2033	22,172

(9) Net Assets Designated by the Board

Boys Town's governing board has designated, from net assets without donor restrictions, restrictions, \$1,515,425, of net assets for the following purposes as of December 31, 2023:

Bond payments	\$ 42,279
Board-designated endowments:	
Capital infrastructure	47,055
Research	3,213
Fund for Needy Children	<u>1,038,820</u>
Total funds	<u>\$ 1,131,367</u>

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2023:

Subject to expenditure for specified purpose:	
Education and scholarships	\$ 47,483
Specific program activities	6,908
Beneficial interest in assets held in trust	
general operations	8,740
Capital	1,059
	<hr/>
	64,190
Subject to passage of time:	
For periods after December 31, 2023	210
Investments in perpetuity to support:	
Operations	87,700
Education and scholarships	4,762
Direct care of children	5,300
Research	4,407
	<hr/>
	102,169
Total net assets with donor restrictions	\$ <u>166,569</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors for the year ended December 31, 2023 as follows:

Purpose restrictions:	
Operations	\$ 511
Capital	11,023
Specific program activities	1,897
Education and scholarships	832
	<hr/>
	14,263
Time restrictions expired	295
Release of appropriated endowment amounts with purpose restrictions:	
Specific program activities	265
Education and scholarships	66
	<hr/>
	331
Total restrictions released	\$ <u>14,889</u>

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

Investment income and earnings on donor-restricted endowments whose investment income and earnings do not have purpose restrictions are considered received and released in the same period.

(11) Endowment

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) sets out guidelines to be considered when managing and investing donor-restricted endowment funds.

Boys Town holds endowment funds for support of its programs and operations. As required by generally accepted accounting principles, net assets and the changes therein associated with endowment funds, including funds designated by the board of trustees to function as endowments, and beneficial interest in trust assets are classified and reported based on the existence or absence of donor-imposed restrictions. The funds classified as beneficial interest in trust funds are not under the control of Boys Town, and as such, Boys Town does not appropriate these funds or control their investment policies.

The board of trustees of Boys Town has interpreted NUPMIFA as allowing Boys Town to appropriate for expenditure or accumulate so much of an endowment fund as Boys Town determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, Boys Town classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations, if any. Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Boys Town in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, Boys Town considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

BOYS TOWN
 Notes to Consolidated Financial Statements
 December 31, 2023

Endowment net asset composition by type of fund as of December 31, 2023			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	29,451	29,451
Board-designated endowment funds	<u>1,089,089</u>	—	<u>1,089,089</u>
Total funds	\$ 1,089,089	29,451	1,118,540

Changes in endowment net assets for the year ended December 31, 2023			
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 1,031,620	26,856	1,058,476
Investment return:			
Investment income, net of investment expenses	4,394	96	4,490
Net appreciation (realized and unrealized)	<u>108,847</u>	<u>2,272</u>	<u>111,119</u>
Total investment return	113,241	2,368	115,609
Appropriation of endowment assets for expenditure	(55,716)	(333)	(56,049)
Reclassifications	(56)	—	(56)
Contributions	—	560	560
Endowment net assets, end of year	\$ 1,089,089	29,451	1,118,540

(a) Return Objectives and Risk Parameters

Boys Town has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while complying with all donor-imposed restrictions. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed inflation plus the long-term spending rate.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Boys Town 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). Boys Town targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

BOYS TOWN

Notes to Consolidated Financial Statements

December 31, 2023

(c) Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

Boys Town preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary. Interest, dividend, and net appreciation of the donor-restricted endowments funds are deemed appropriated for expenditure when earned or when donor-imposed restriction is met.

For board-designated endowment funds, Boys Town appropriates distributions in its annual budget while considering the operations of Boys Town as well as expected investment returns and new endowment contributions. Spending is based on 80% of prior year's spending, adjusted for inflation, plus 20% of 5% of the average market value for the four quarters ended June 30 of the previous fiscal year. Over the long term, spending is expected to average 5% of the endowment's value with a range of 4% to 6%. Boys Town expects to achieve inflation-adjusted growth of its endowment assets from the total return on investments. Boys Town has a policy that does not permit spending from underwater donor-restricted endowment funds.

(d) Appropriation of Board-Designated Endowment Assets

For 2024, Boys Town has budgeted to appropriate \$53,849 of its board-designated endowment assets to be distributed for spending, consistent with Boys Town's spending rule described above.

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2023, no funds were "underwater."

(12) Leases

Boys Town is a lessee in several noncancelable operating leases, primarily for office space and finance leases for certain office equipment. The operating leases expire through 2033; however, many of the leases contain renewal options. The financing lease expires in 2024 with renewal options. None of these renewal options were included in the valuation of the ROU and lease liabilities since they were not considered reasonably certain.

The components of lease cost for the year ended December 31, 2023 were \$2,016. As of December 31, 2023, ROU asset, net for operating leases was \$7,277 included in prepaid expenses and other on the consolidated statement of financial position. ROU asset, net for financing leases was \$140 reflected in land, buildings, and equipment on the consolidated statement of financial position.

BOYS TOWN
 Notes to Consolidated Financial Statements
 December 31, 2023

Maturities of lease liabilities under noncancelable leases as of December 31, 2023 are as follows:

	Operating leases	Finance leases
2024	\$ 1,802	149
2025	1,443	—
2026	1,143	—
2027	929	—
2028	687	—
Thereafter	<u>1,760</u>	<u>—</u>
 Total undiscounted lease payments	 7,764	 149
Less imputed interest	<u>(297)</u>	<u>(2)</u>
 Total lease liabilities	 <u>\$ 7,467</u>	 <u>147</u>

Boys Town has leases that had not yet commenced as of December 31, 2023. None of these leases create significant rights and obligations.

(13) Commitments and Contingencies

Boys Town is a defendant in a number of lawsuits incidental to its operations. In the opinion of management, the outcome of such lawsuits will not have a materially adverse effect on Boys Town's consolidated financial position or its activities.

(14) Subsequent Events

Boys Town has evaluated subsequent events from the consolidated statement of financial position date through June 10, 2024, the date at which the consolidated financial statements were issued, and determined there are no other items to disclose.

BOYS TOWN

Consolidating Schedule of Financial Position

December 31, 2023

(Dollar amounts in thousands)

Assets	Boys Town								Eliminations	Boys Town and program-related affiliates
	Boys Town North Florida, Inc.	Boys Town Nevada, Inc.	Boys Town Louisiana, Inc.	Boys Town Central Florida, Inc.	Boys Town South Florida, Inc.	Boys Town New England, Inc.	Boys Town Washington, D.C., Inc.			
Cash and cash equivalents	\$ 12,967	—	2	5	11	—	1	1	—	12,987
Accounts receivable	41,310	837	5,050	2,301	555	570	1,231	173	—	52,027
Prepaid and other	30,883	2	148	184	142	1,195	108	—	—	32,662
Investments	359,394	135	2,976	—	—	—	—	301	—	362,806
Beneficial interest in trust assets	91,307	—	—	—	—	—	—	—	—	91,307
Investment in consolidated subsidiaries	31,375	—	—	—	—	—	—	—	(31,375)	—
Interest in Father Flanagan's Fund for Needy Children	1,038,820	—	—	—	—	—	—	—	—	1,038,820
Land, buildings, and equipment, net	226,566	2,279	511	793	3,426	41	4,141	8,975	—	246,732
Total assets	\$ 1,832,622	3,253	8,687	3,283	4,134	1,806	5,481	9,450	(31,375)	1,837,341
Liabilities and Net Assets										
Liabilities:										
Accounts payable	\$ 18,879	43	18	267	27	9	9	19	—	19,271
Accrued liabilities	45,072	4	1,349	203	144	1,173	208	4	—	48,157
Long-term debt	86,677	344	—	—	—	—	898	—	—	87,919
Total liabilities	150,628	391	1,367	470	171	1,182	1,115	23	—	155,347
Net assets:										
Without donor restrictions:										
Designated by the board	1,131,367	—	—	—	—	—	—	—	—	1,131,367
Undesignated	384,058	2,657	7,034	1,508	3,843	420	4,273	9,165	(28,900)	384,058
Total without donor restrictions	1,515,425	2,657	7,034	1,508	3,843	420	4,273	9,165	(28,900)	1,515,425
With donor restrictions:										
Restricted by purpose and time	64,400	205	46	1,305	120	204	93	252	(2,225)	64,400
Perpetual in nature	102,169	—	240	—	—	—	—	10	(250)	102,169
Total with donor restrictions	166,569	205	286	1,305	120	204	93	262	(2,475)	166,569
Total net assets	\$ 1,681,994	2,862	7,320	2,813	3,963	624	4,366	9,427	(31,375)	1,681,994
Total liabilities and net assets	\$ 1,832,622	3,253	8,687	3,283	4,134	1,806	5,481	9,450	(31,375)	1,837,341

See accompanying independent auditors' report.

BOYS TOWN

Consolidating Schedule of Activities

Year ended December 31, 2023

(Dollar amounts in thousands)

	Boys Town	Boys Town North Florida, Inc.	Boys Town Nevada, Inc.	Boys Town Louisiana, Inc.	Boys Town Central Florida, Inc.	Boys Town South Florida, Inc.	Boys Town New England, Inc.	Boys Town Washington, D.C., Inc.	Eliminations	Boys Town and program- related affiliates
Without donor restriction:										
Revenue, gains, and other support:										
Contributions	\$ 130,164	329	217	3,906	429	401	774	107	—	136,327
In-kind donations	37,622	101	30	55	1,039	97	169	84	—	39,197
Legacies and bequests	11,866	—	—	—	—	—	—	—	—	11,866
Program service revenue	238,086	4,435	8,885	2,359	3,482	3,887	6,966	1,132	—	269,232
Other revenue	6,106	10	—	2	1	—	3	15	—	6,137
Investment return, net	32,786	2	401	—	—	—	—	—	—	33,189
Net assets released from restrictions	14,139	12	42	111	129	247	93	116	—	14,889
Total revenue, gains, and other support	470,769	4,889	9,575	6,433	5,080	4,632	8,005	1,454	—	510,837
Expenses:										
Program services	420,597	5,618	9,567	8,589	5,755	6,455	8,351	2,193	—	467,125
Supporting services	74,348	1,648	2,112	1,896	1,560	1,917	1,659	2,282	—	87,422
Total expenses	494,945	7,266	11,679	10,485	7,315	8,372	10,010	4,475	—	554,547
Revenue, gains, and other support under expenses	(24,176)	(2,377)	(2,104)	(4,052)	(2,235)	(3,740)	(2,005)	(3,021)	—	(43,710)
Change in net assets of Father Flanagan's Fund for Needy Children	54,692	—	—	—	—	—	—	—	—	54,692
Change in net assets affiliates	3,459	—	—	—	—	—	—	—	(3,459)	—
Support from Father Flanagan's Home	(23,166)	2,841	5,159	4,189	3,135	3,437	1,947	2,458	—	—
Support from Father Flanagan's Fund for Needy Children	53,362	—	—	—	—	—	—	—	—	53,362
Actuarial loss on annuity trust obligations	(861)	—	—	—	—	—	—	—	—	(861)
Pension-related changes other than service cost	1,900	—	—	—	—	—	—	—	—	1,900
Increase (decrease) in net assets without donor restriction	65,210	464	3,055	137	900	(303)	(58)	(563)	(3,459)	65,383
With donor restriction:										
Contributions	5,818	10	4	201	120	204	1	—	—	6,358
Legacies and bequests	45	—	—	—	—	—	—	—	—	45
Investment return, net	7,137	6	—	—	—	—	—	31	—	7,174
Change in value of beneficial interest in trust assets	7,684	—	—	—	—	—	—	—	—	7,684
Net assets released from restrictions	(14,139)	(12)	(42)	(111)	(129)	(247)	(93)	(116)	—	(14,889)
Increase (decrease) in net assets with donor restriction	6,545	4	(38)	90	(9)	(43)	(92)	(85)	—	6,372
Net assets, beginning of year	1,610,239	2,394	4,303	2,586	3,072	970	4,516	10,075	(27,916)	1,610,239
Net assets, end of year	\$ 1,681,994	2,862	7,320	2,813	3,963	624	4,366	9,427	(31,375)	1,681,994

See accompanying independent auditors' report.

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APPENDIX C

DEFINITIONS OF WORDS AND TERMS

AND

SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS

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APPENDIX C

DEFINITIONS AND WORDS AND TERMS AND SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS

DEFINITIONS OF WORDS AND TERMS

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in the Indenture, the Loan Agreement, the Guaranty Agreement and this Official Statement. Reference is hereby made to the Indenture and the Loan Agreement for complete definitions of all terms.

“Act” means Sections 13-1101 through 13-1110, inclusive, Reissue Revised Statutes, as amended.

“Additional Bonds” means any additional parity Bonds issued by the Issuer pursuant to the Indenture that stand on a parity and equality under the Indenture with the Series 2026 Bonds.

“Additional Notes” means any additional parity Notes issued by the Borrower to the Issuer, pursuant to the Loan Agreement, in connection with the issuance of Additional Bonds under the Indenture.

“Additional Obligations” means any Indebtedness of the Borrower, other than the Notes, issued or incurred by the Borrower in accordance with the Loan Agreement and secured on a parity with the Notes, which obligations may be issued to any Person including Persons other than the Issuer.

“Bond” or **“Bonds”** means any bond or bonds, including the Series 2026 Bonds and any Additional Bonds, authenticated and delivered under and pursuant to the Indenture.

“Bond Counsel” means Gilmore & Bell, P.C., or other attorney or firm of attorneys who is nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Bond Purchase Agreement” means the Bond Purchase Agreement relating to the Series 2026 Bonds among the Issuer, the Borrower and the Original Purchaser, and any purchase agreement or contract relating to the purchase and sale of any Additional Bonds

“Book Value” means, when used with respect to the Project, the value of such portion of the Project, net of accumulated depreciation and amortization, as it is carried on the books of account of the Borrower as reflected in the most recent audited financial statements of the Borrower.

“Borrower” means Father Flanagan’s Boys’ Home d/b/a Boys Town, a nonprofit corporation duly organized and validly existing under the laws of the State, and its successors and assigns.

“Borrower Representative” means the chair or vice-chair of the governing board of the Borrower, the president, vice-president, executive director or chief finance officer of the Borrower and any other person or persons at the time designated to act on behalf of the Borrower in matters relating to the Indenture and the Loan Agreement as evidenced by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Borrower by its chair, vice-chair, president, vice-president or executive director. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Borrower Representative.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, or (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of _____, 2026, among the Borrower, the Guarantor, and the Trustee, as Dissemination Agent, as from time to time amended in accordance with the provisions thereof.

“Costs of Issuance” means issuance costs with respect to the Bonds, including but not limited to the following:

- (a) underwriting spread (whether realized directly or derived through purchase of Bonds at a discount below the price at which they are expected to be sold to the public);
- (b) counsel fees (including Bond Counsel, counsel to the Original Purchaser, Issuer counsel, Borrower counsel, as well as any other specialized counsel fees incurred in connection with the borrowing);
- (c) financial advisor fees of any financial advisor to the Issuer or the Borrower incurred in connection with the issuance of the Bonds;
- (d) rating agency fees;
- (e) trustee, escrow agent, bond registrar and paying agent fees;
- (f) accountant fees and other expenses related to issuance of the Bonds;
- (g) printing costs (for the Bonds and of the preliminary and final Official Statement relating to the Bonds); and
- (h) fees and expenses of the Issuer incurred in connection with the issuance of the Bonds.

“Costs of the Project” means all of the costs of the construction of the Project, including the following: (1) the cost of construction, extension, improvement, repair and reconstruction; (2) the cost of acquisition, including rights in land and other property, both real and personal and improved and unimproved, and franchises, and disposal rights; (3) the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; (4) the cost of machinery and equipment, of engineering and architectural surveys and plans, and specifications and of transportation and storage until the Project is operational; (5) the cost of agents or consultants, including legal, financial, engineering, accounting and auditing, necessary or incident to the Project and of the determination as to the feasibility or practicability of undertaking the Project; (6) funded interest; and (7) Costs of Issuance.

“Current Value” means (a) with respect to that portion of the Project classified as “property, plant and equipment” on the balance sheet of the Borrower, determined in accordance with generally accepted accounting principles, the aggregate fair market value of such portion of the Project as determined by (1) a written report of an appraiser acceptable to the Trustee and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated), or (2) a bona fide offer for the purchase of such portion of the Project made on an arm’s length basis within six months of the date of determination as established by an Officer’s Certificate, and (b) with respect to any other

portion of the Project, the fair market value of such portion of the Project, which fair market value shall be evidenced in a manner satisfactory to the Trustee.

“Debt Service Fund” means the fund by that name created by the Indenture.

“Defeasance Obligations” means the following:

(a) Government Obligations that are not subject to redemption prior to maturity; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations (A) are not subject to redemption prior to maturity, or (B) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are fully secured by cash or non-callable Government Obligations that may be applied only to payment of the principal or redemption price of and interest on such obligations;

(3) the sufficiency of such cash and non-callable Government Obligations to pay in full all principal or redemption price of and interest on such obligations has been verified by the report of an independent certified public accountant and no substitution of Government Obligations shall be permitted except with cash or other Government Obligations and upon delivery of a new verification;

(4) such cash and Government Obligations serving as security for the obligations are held in an irrevocable escrow by an escrow agent or a trustee in trust for the owners of such obligations, at least one year has passed since the establishment of such escrow and the issuer of such obligations is not, and has not been since the establishment of such escrow, a debtor in a proceeding commenced under the United States Bankruptcy Code;

(5) the Trustee has received an unqualified opinion of nationally recognized bankruptcy counsel (who, for purposes of such opinion, may assume that no registered owner is an “insider,” as defined in the United States Bankruptcy Code) to the effect that the cash and Government Obligations in such escrow are not available to satisfy any other claims, including those against the trustee or escrow agent, and that the payment of the principal of and interest on such obligations made from such escrow would not be avoidable as preferential payments and recoverable under the United States Bankruptcy Code should the obligor or any other person liable on such obligations become a debtor in a proceeding commenced under the United States Bankruptcy Code;

(6) the Trustee has received an Opinion of Bond Counsel delivered in connection with the original issuance of such obligations to the effect that the interest on such obligations was exempt for purposes of federal income taxation, and the Trustee has received an Opinion of Bond Counsel delivered in connection with the establishment of the irrevocable escrow to the effect that the establishment of the escrow will not result in the loss of any exemption for purposes of federal income taxation to which interest on such obligations would otherwise be entitled; and

(7) the obligations are rated in the highest rating category by any nationally recognized securities rating agency.

“Escrowed Deposits” means cash, including proceeds of Refunding Indebtedness or other Indebtedness, or Defeasance Obligations (including, where appropriate, the earnings or other increment to accrue thereon) that are on deposit in an irrevocable escrow or trust account with the Trustee or a third party escrow agent and are required to be applied to pay all or a portion of the principal of and interest on, as the same shall become due, any Bonds or Indebtedness that would otherwise be considered Outstanding and such amounts so required to be applied are sufficient to pay such principal and interest.

“Event of Taxability” means the final adoption of legislation or regulations, or the issuance of a statutory notice of deficiency or a ruling by the Internal Revenue Service, or a final decision of a court of competent jurisdiction, which holds in effect that the interest payable on any Series 2026 Bond is not excludable from the gross income of the registered owners thereof for federal income tax purposes by reason of the failure of the Series 2026 Bonds to qualify for the exemption provided for in Section 145 of the Internal Revenue Code, or failure to comply with the limitation on investments and the related rebate requirements imposed by Section 148 of the Internal Revenue Code, or for any other reason; provided, however, no such Event of Taxability shall be deemed to have occurred until the expiration or waiver of all periods for appeal; and, provided further, that in the event the Event of Taxability is contested by the Borrower in the name of any registered owner of a Series 2026 Bond, then all final decisions regarding such contest shall be made by the registered owner of such Series 2026 Bond and shall be binding on the Borrower; provided, however, if the registered owner of such Series 2026 Bond at any time refuses to permit the Borrower to contest the Event of Taxability then the interest on the Series 2026 Bonds shall not be deemed to be taxable within the meaning of this definition.

“Financing Documents” means the Indenture, the Series 2026 Bonds, the Loan Agreement, the Series 2026 Note, the Guaranty Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Compliance Agreement, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words “Financing Documents” are used in the context of the authorization, execution, delivery, approval or performance of Financing Documents by a particular party, the same shall mean only those Financing Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

“Government Obligations” means the following:

(a) bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on are fully and unconditionally guaranteed by, the United States of America; and

(b) evidences of direct ownership of a proportionate or individual interest in future interest or principal payments on specified direct obligations of, or obligations for which the full and timely payment of the principal and interest is unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian in form and substance satisfactory to the Trustee.

“Guarantor” means Father Flanagan’s Fund for Needy Children, a nonprofit corporation duly organized and validly existing under the laws of the State, and its successor and assigns.

“Guaranty Agreement” means the Guaranty Agreement, dated as of _____, 2026, between Trustee and the Guarantor, as from time to time amended in accordance with the provisions thereof.

“Indebtedness” means all indebtedness or obligations of the Borrower or the Guarantor for the repayment of borrowed money (including capital leases and guarantees) shown as liabilities on the balance sheet of the Borrower or Guarantor, as applicable, or which are properly capitalized on the balance sheet of the Borrower in accordance with generally accepted accounting principles (including obligations evidenced or secured by promissory notes and obligations not evidenced or secured by promissory notes). Indebtedness does not include the following:

- (a) any portion of any Indebtedness that is payable from Escrowed Deposits and is deemed to be discharged or defeased in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness;
- (b) liabilities incurred by the endorsement for collection or deposit of checks or drafts received in the ordinary course of business or overdrafts to banks to the extent there are immediately available funds sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business;
- (c) accounts payable and similar liabilities (other than for the repayment of borrowed money) incurred in the ordinary course of business;
- (d) liabilities payable out of current payments for the funding of employee pension plans, retiree benefits other than pensions, health plans and other benefit programs, contributions to self-insurance or pooled-risk insurance programs and estimated long-term self-insurance liability, and the funding of reserves for deferred taxes, deferred revenues, deferred compensation, and similar such liabilities;
- (e) obligations under contracts for supplies, services or pensions allocated to the current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pensions paid;
- (f) rentals payable under leases which are not capitalized under generally accepted accounting principles; and
- (g) any other obligations that do not constitute indebtedness under generally accepted accounting principles.

“Indenture” means the Trust Indenture as originally executed by the Issuer and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of the Indenture.

“Interest Payment Date” means _____ and _____ of each year, beginning _____, 20___.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Issuer” means the Village of Boys Town, Nebraska, a village and political subdivision of the State of Nebraska.

“Loan” means the loan of the proceeds of the Bonds made by the Issuer to the Borrower pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement, dated as of _____, 2026, between the Issuer and the Borrower, as from time to time amended by Supplemental Loan Agreements in accordance with the provisions of the Loan Agreement.

“Loan Payments” means the payments of principal and interest on the Loan referred to in the Loan Agreement.

“Net Proceeds”, when used with respect to any damage, destruction, condemnation or loss of title, means the gross proceeds from any insurance (or self-insurance) relating to damage or destruction of the Project, or condemnation award with respect to condemned portion of the Project or realization of title insurance with respect to any deficiency or loss of title to any portion of the Project, remaining after the payment of all expenses (including attorneys’ fees and any expenses of the Issuer or the Trustee) incurred in the collection of such gross proceeds.

“Notes” means the Series 2026 Note and any Additional Notes.

“Officer’s Certificate” means a written certificate of the Borrower signed by the Borrower Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Borrower with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Trustee.

“Opinion of Bond Counsel” means a written opinion of Gilmore & Bell, P.C., or other legal counsel acceptable to the Issuer and the Trustee who is nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means a written opinion of any legal counsel having expertise in the matters covered in such opinion and acceptable to the Borrower and the Trustee and, to the extent the Issuer is asked to take action in reliance thereon, the Issuer, who may be an employee of or counsel to the Borrower or the Trustee.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, the initial purchaser of the Series 2026 Bonds under the Bond Purchase Agreement.

“Outstanding” means the following:

(a) with respect to Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except the following:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in the Indenture;

(2) Bonds for whose payment or redemption money or Defeasance Obligations in the necessary amount has been deposited with the Trustee in trust for the owners of such Bonds as provided in the Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture; and

(4) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in the Indenture; and

(b) with respect to Notes and other Indebtedness, as of the date of determination, all Notes and other Indebtedness theretofore issued or incurred by the Borrower, except the following:

(1) Notes, to the extent that the related Bonds are no longer deemed Outstanding under the Indenture; and

(2) Indebtedness other than Notes, to the extent the obligation to make payments on such Indebtedness has been discharged in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness.

“Permitted Encumbrances” means, with respect to the Project as of any particular time, the following:

(a) the lien and security interest of the Loan Agreement and any other liens or security interest in the Project that equally and ratably secure all Notes on a parity basis;

(b) liens for taxes, assessments, and other governmental charges not delinquent, or if delinquent are being contested in good faith by appropriate proceedings and as to which the Borrower shall have set aside on its books adequate reserves with respect thereto;

(c) mechanic’s, laborer’s, material supplier’s, supplier’s or vendor’s liens not filed of record and similar charges not delinquent, or if filed of record are being contested in good faith and have not proceeded to judgment and as to which the Borrower shall have set aside on its books adequate reserves with respect thereto;

(d) liens in respect of judgments or awards with respect to which the Borrower is in good faith currently prosecuting an appeal or proceedings for review, and with respect to which the Borrower shall have secured a stay of execution pending such appeal or proceedings for review, provided the Borrower shall have set aside on its books adequate reserves with respect thereto;

(e) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions that do not materially affect the marketability of title to the Project and do not in the aggregate materially impair the use of the Project for the purposes for which it is held by the Borrower;

(f) such minor defects and irregularities of title as normally exist with respect to property similar in character to the portion of the Project affected thereby and which do not materially affect the marketability of title to or value of such portion of the Project and do not materially impair the use of such portion of the Project for the purposes for which it is held by the Borrower;

(g) zoning laws, ordinances or regulations and similar restrictions that are not violated by the portion of the Project affected thereby;

(h) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal or state statutes;

(i) statutory liens and rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business;

(j) all right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(k) rights reserved to, or vested in, any municipality or governmental or other public authority by virtue of any franchise, license, contract or statute to control or regulate any portion of the Project or to use such portion of the Project in any manner, or to purchase, or designate a purchaser of or order the sale of, any portion of the Project upon payment of cash or reasonable compensation therefor, or to terminate any franchise, license or other rights;

(l) liens on money deposited by patients or others with the Borrower as security for or as prepayment of the cost of patient care, liens due to rights of third-party payors for recoupment of excess reimbursement paid to the Borrower, and liens of residents of life care, elderly housing or similar facilities on endowment or similar funds deposited by or on behalf of such residents;

(m) liens arising by reason of (1) good faith deposits with the Borrower in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), (2) deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, (3) deposits as security for the payment of taxes or assessments or other similar charges, and (4) deposits with, or the giving of any form of security to, any municipality or governmental or other public authority for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(n) restrictions on the Project received by the Borrower through gifts, grants, bequests, contributions or donations imposed by the donor or grantor of such property and which consist solely of restrictions on the use of such portion of the Project or the income therefrom;

(o) liens on and security interests in the proceeds of Indebtedness prior to the application of such proceeds or any debt service fund, reserve fund, escrow fund or similar fund established to secure the payment of Indebtedness;

(p) liens existing on the Project at the time of its acquisition by the Borrower through purchase, lease or otherwise, or liens existing on property of a Person on the date such Person merges into or consolidates with the Borrower that were not imposed or incurred in contemplation of such Person merging into or consolidating with the Borrower; provided, that no such lien may be increased, extended, renewed, or modified after such date to apply to any portion of the Project not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;

(q) leases, under which the Borrower is lessor, that relate to portions of the Project that are of a type that are customarily the subject of such leases, including leases of office space for physicians, food service facilities, parking facilities, day care centers, gift shops, barber shops, beauty shops, flower shops,

radiology, pathology or other hospital-based specialty services, and pharmacy and similar departments; and any other leases entered into in accordance with the disposition of property provisions of the Loan Agreement;

(r) purchase money mortgages, security interests, and similar liens securing Indebtedness, placed upon the Project in order to obtain the use of such portion of the Project or to secure a portion of the purchase price thereof;

(s) liens on the Project that are existing at the date of the Indenture and the Loan Agreement; provided that no such lien (or the amount of Indebtedness secured thereby) may be increased, extended, renewed or modified to apply to any portion of the Project not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;

(t) any other lien or encumbrance created or incurred in the ordinary course of business that does not secure, directly or indirectly, the repayment of borrowed money or the payment of installment sales contracts or capital leases and which, individually or in the aggregate, does not materially impair the value or the utility of the portion of the Project subject to such lien or encumbrance; and

(u) any other liens on the Project expressly permitted by the Loan Agreement or approved in writing by the registered owners of all of the Bonds.

“Permitted Investments” means, if and to the extent the same are at the time legal for investment of funds held under the Indenture, the following:

(a) Government Obligations;

(b) bonds, notes or other obligations of any state of the United States of America or any political subdivision of any state, which at the time of their purchase are rated in either of the two highest rating categories by any nationally recognized rating agency;

(c) certificates of deposit or time or demand deposits constituting direct obligations of any bank, bank holding company, savings and loan association or trust company organized under the laws of the United States of America or any state thereof (including the Trustee or any of its affiliates), except that investments may be made only in certificates of deposit or time or demand deposits which are:

(1) insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or any other similar United States Government deposit insurance program then in existence;

(2) continuously and fully secured by Government Obligations, which have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time or demand deposits; or

(3) issued by a bank, bank holding company, savings and loan association or trust company organized under the laws of the United States of America or any state thereof (including the Trustee or any of its affiliates) whose outstanding unsecured long-term debt is rated at the time of issuance in either of the two highest rating categories by any nationally recognized rating agency;

(d) repurchase agreements with any bank, bank holding company, savings and loan association, trust company or other financial institution organized under the laws of the United States of

America or any state thereof (including the Trustee or any of its affiliates), or domestic branches of foreign companies, that are continuously and fully secured by Government Obligations and that have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreements, provided that each such repurchase agreement conforms to current industry standards as to form and time, is in commercially reasonable form, is for a commercially reasonable period, results in transfer of legal title to identified Government Obligations that are segregated in a custodial or trust account for the benefit of the Trustee, and further provided that Government Obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value thereof or the repurchase price thereof set forth in the applicable repurchase agreement;

(e) investment agreements constituting an obligation of a bank, bank holding company, savings and loan association, trust company, insurance company or other financial institution whose outstanding unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by any nationally recognized rating agency;

(f) short term discount obligations of the Federal National Mortgage Association and the Government National Mortgage Association; and

(g) money market mutual funds (1) that invest in Government Obligations or that are registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and (2) that are rated in either of the two highest categories by any nationally recognized rating agency.

“Person” means any natural person, firm, association, corporation, partnership, joint stock company, a joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Project” has the meaning set forth in the Indenture.

“Project Fund” means the fund by that name created by the Indenture, and within such fund the Costs of Issuance Account and the Project Account have been created.

“Rebate Fund” means the fund by that name created by the Indenture.

“Refunding Indebtedness” means Indebtedness issued for the purpose of refunding other Indebtedness (including Indebtedness commonly referred to as current refunding indebtedness, advance refunding indebtedness or cross-over refunding indebtedness where the proceeds of such Refunding Indebtedness are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest and principal on such Refunding Indebtedness and/or the Indebtedness being refunded).

“Series 2017 Bonds” means the Issuer’s \$30,090,000 outstanding principal amount Revenue Refunding Bonds (Boys Town Project) Series 2017, dated November 1, 2017.

“Series 2020 Bonds” means the Issuer’s \$55,930,000 outstanding principal amount Revenue and Refunding Bonds (Boys Town Projects) Series 2020, dated October 1, 2020.

“Series 2026 Bonds” means the Issuer’s Revenue Bonds (Boys Town Projects), Series 2026, issued pursuant to the Indenture.

“Series 2026 Note” means the promissory note that evidences the obligation of the Borrower to repay the loan of the proceeds of the Series 2026 Bonds to the Issuer.

“State” means the State of Nebraska.

“Supplemental Indenture” means any indenture supplemental or amendatory to the Indenture entered into by the Issuer and the Trustee pursuant to the Indenture.

“Supplemental Loan Agreement” means any agreement supplemental or amendatory to the Loan Agreement entered into by the Issuer and the Borrower pursuant to the Loan Agreement.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated as of _____, 2026, among the Issuer, the Borrower, the Guarantor and the Trustee, as from time to time amended in accordance with the provisions thereof.

“Tax-Exempt Organization” means a nonprofit organization organized under the laws of the United States of America or any state thereof that is described in Section 501(c)(3) of the Internal Revenue Code, is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, and is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Trustee” means BOKF, National Association, a national banking association duly organized and validly existing under the laws of the United States of America, and its successor or successors and any other corporation or association that at any time may be substituted in its place pursuant to and at the time serving as trustee under the Indenture.

“Trust Estate” means the Trust Estate described in the Pledge and Assignment of Trust Estate section located herein.

“Unrestricted Net Assets” means the total amount of unrestricted net assets of the Borrower, or other equivalent accounting classification representing the unrestricted net worth of an entity, as determined in accordance with generally accepted accounting principles and reflected on (a) the most recently completed audited financial statements of the Borrower or (b) the unaudited financial statements of the Borrower for the six-month period ended June 30 of each year; provided, however, that for the six-month period ended June 30, the Borrower shall be permitted to utilize the pension liability from the immediately preceding audited financial statements if such information is not available for the six-month period ended June 30.

SUMMARY OF THE INDENTURE

The Indenture specifies the details and terms of the related Bonds as set out in this Official Statement. The following is a summary of certain other provisions contained in the Indenture and is qualified in its entirety by reference to the Indenture.

Pledge and Assignment of Trust Estate

To declare the terms and conditions upon which the Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Bonds issued and Outstanding under the Indenture, to secure the performance and observance by the Issuer of all the covenants, agreements and conditions contained in the Indenture and in the Bonds, and in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, and the purchase and acceptance of the Bonds by the registered owners thereof, the Issuer transfers in trust, pledges and assigns to the Trustee, and grants a security interest to the Trustee in, the following described property (said property is herein referred to as the “**Trust Estate**”):

- (a) all right, title and interest of the Issuer (including, but not limited to, the right to enforce any of the terms thereof) in, to and under (1) the Loan Agreement, including, without limitation, all Loan Payments and other payments to be received by the Issuer and paid by the Borrower under and pursuant to and subject to the provisions of the Loan Agreement (except the Issuer’s rights to payment of its fees and expenses and to indemnification as set forth in the Loan Agreement and as otherwise expressly set forth therein), (2) the Series 2026 Note and any Additional Notes, (3) the Guaranty Agreement, and (4) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Bonds;
- (b) all money and securities (except money and securities held in the Rebate Fund) from time to time held by the Trustee in the funds and accounts under the terms of the Indenture; and
- (c) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer or by anyone in its behalf or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Creation of Funds and Accounts

In the Indenture, there were created and ordered to be established in the custody of the Trustee the following special trust funds with respect to the Bonds, to be designated as follows:

- (a) “Village of Boys Town, Nebraska – Father Flanagan’s Boys’ Home Project Fund” (the “**Project Fund**”) and within such fund two separate and segregated trust accounts designated the “**Costs of Issuance Account**” and the “**Project Account**” shall be maintained.
- (b) “Village of Boys Town, Nebraska – Father Flanagan’s Boys’ Home Project Debt Service Fund” (the “**Debt Service Fund**”).
- (c) “Village of Boys Town, Nebraska – Father Flanagan’s Boys’ Home Project Rebate Fund” (the “**Rebate Fund**”).

The Trustee is authorized to establish separate accounts within such funds or otherwise segregate money within such funds, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient, or as the Trustee shall be instructed by the Issuer.

All money deposited with or paid to the Trustee for the funds and accounts held under the Indenture shall be held by the Trustee in trust and shall be applied only in accordance with the provisions of the Indenture and the Loan Agreement, and, until used or applied as provided in the Indenture, shall (except for money in the Rebate Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions of the Indenture and shall not be commingled with any other funds of the Issuer or the Borrower except as provided under the Indenture for investment purposes.

Deposit of Bond Proceeds and Other Money

The Issuer, for and on behalf of the Borrower, shall deposit with the Trustee all of the net proceeds of the applicable Series 2026 Bonds, and the Trustee shall deposit and apply such net proceeds as provided in the Indenture.

Project Fund

(a) ***Costs of Issuance Account.*** An amount from the net proceeds of the Series 2026 Bonds shall be deposited into the Costs of Issuance Account in the Project Fund. Money in the Costs of Issuance Account in the Project Fund shall be used solely for the purpose of paying Costs of Issuance of the Series 2026 Bonds, as provided in the Indenture. The Trustee may rely upon and shall pay out of the Costs of Issuance Account upon written disbursement requests of the Borrower provided, however, that Costs of Issuance paid from bond proceeds deposited in the Costs of Issuance Account shall not exceed **2%** of the principal amount of the Series 2026 Bonds. At such time as the Trustee is furnished with an Officer's Certificate signed by a Borrower Representative stating that all Costs of Issuance have been paid, and in any case not later than 6 months from the date of original issuance of the Series 2026 Bonds, the Trustee shall transfer any moneys remaining in the Costs of Issuance Account to the Debt Service Fund.

(b) ***Project Account.*** An amount from the net proceeds of the Series 2026 Bonds shall be deposited into the Project Account in the Project Fund. Money in the Project Account in the Project Fund shall be used solely for the purpose of paying Costs of the Project for the Project as provided in the Indenture.

The Trustee shall disburse money on deposit in the Project Account from time to time to pay or as reimbursement for payment made for Costs of the Project, in each case within three Business Days after receipt by the Trustee of written disbursement requests of the Borrower in substantially the form attached to the Indenture, signed by the Borrower Representative and accompanied by invoices describing personal property for which payment is being requested, and subject to the conditions set forth in the Indenture.

In making payments pursuant to the Indenture, the Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to make any independent investigation in connection therewith. If for any reason the Borrower should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and upon receipt of such notice the Trustee shall not make such payment. If the Issuer so requests, a copy of each written disbursement request submitted to the Trustee for payment under the Indenture shall be promptly provided by the Trustee to the Issuer. The Trustee shall keep and maintain adequate records

pertaining to the Project Account and all disbursements therefrom, and shall file periodic statements of activity regarding the Project Account with the Borrower.

The Borrower shall deliver to the Trustee, within 90 days after completion of the Project, an Officer's Certificate executed by a Borrower Representative stating the following:

(a) that the Project has been fully completed substantially in accordance with the plans and specifications for the Project, as then amended, and the date of completion of the Project;

(b) that the signer has made such investigation of such sources of information as are deemed necessary, including pertinent records of the Borrower, and is of the opinion that the Costs of the Project have been fully paid for and no claim or claims exist against the Issuer or the Borrower or against the Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Borrower intends to contest such claim or claims in accordance with the Loan Agreement, in which event such claim or claims shall be described; provided, further, that it shall be stated that money are on deposit in the Project Fund or are available through enumerated bank loans (including letters of credit) or other sources sufficient to make payment of the full amount which might in any event be payable in order to satisfy such claim or claims; and

(c) if any item was added to, deleted from or substituted for the Project and providing any documentation, certificates or opinions required by the Loan Agreement.

If after payment by the Trustee of all disbursement requests theretofore tendered to the Trustee under the provisions of this section and after receipt by the Trustee of the Officer's Certificate required by this section and after all arbitrage rebate earnings have been transferred to the Rebate Fund pursuant to the Rebate Fund section hereof, there shall remain any money in the Project Fund, such money shall be deposited and applied in the following order of priority: (a) into the Debt Service Fund to pay the next successive interest payment on the Series 2026 Bonds to become due and then (b) into the Debt Service Fund to pay the next successive principal payment on the Series 2026 Bonds to become due; provided, in the discretion of the Borrower, such money may be applied for any other purpose that, based on an Opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer, will not adversely affect the exclusion of the interest on the Series 2026 Bonds from gross income for federal income tax purposes.

If an event of default specified in the Indenture has occurred and is continuing and the Bonds have been declared due and payable pursuant to the Indenture, any balance remaining in the Project Fund, other than amounts required to be transferred to the Rebate Fund pursuant to the Indenture, shall without further authorization be deposited in the Debt Service Fund by the Trustee with advice to the Borrower and to the Issuer of such action.

Debt Service Fund

The Trustee shall deposit and credit to the Debt Service Fund, as and when received, as follows:

(a) All Loan Payments made by the Borrower pursuant to the Loan Agreement. If, five Business Days prior to any Interest Payment Date or other day upon which any payment of the principal or redemption price of interest on the Bonds is due and payable, the Trustee has not received such payment from the Borrower, the Trustee shall make immediate demand upon the Guarantor under the Guaranty Agreement for such payment.

(b) Any amount required to be transferred to the Debt Service Fund from the Project Fund pursuant to the Indenture.

(c) Interest earnings and other income on Permitted Investments that are required to be deposited in the Debt Service Fund pursuant to the Indenture.

(d) Any amounts required by a Supplemental Indenture authorizing the issuance of Additional Bonds to be deposited in the Debt Service Fund, as specified in such Supplemental Indenture.

(e) All other money received by the Trustee under and pursuant to any of the provisions of the Indenture or the Loan Agreement for deposit into the Debt Service Fund.

The money in the Debt Service Fund shall be held in trust and, except as otherwise provided in the Indenture, shall be expended solely (a) to pay interest on the Bonds as the same becomes due, (b) to pay principal of the Bonds as the same mature or become due and upon mandatory sinking fund redemption thereof, if any, and (c) to pay the principal or redemption price on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity. The Trustee is authorized and directed to withdraw sufficient funds from the Debt Service Fund to pay the principal or redemption price of and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to any paying agent for the purpose of paying such principal or redemption price and interest.

After payment in full of the principal or redemption price of and interest on the Bonds (or after provision has been made for the payment thereof as provided in the Indenture), all arbitrage rebate to the United States of America and the fees, charges and expenses of the Trustee and the Issuer, and any other amounts required to be paid under the Indenture and the Loan Agreement, all amounts remaining in the Debt Service Fund shall be paid to the Borrower upon the expiration or sooner termination of the Loan Agreement.

Rebate Fund

There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay arbitrage rebate to the United States of America, and neither the Borrower, the Issuer nor the registered owner of any Bonds shall have any rights in or claim to such money.

The Trustee, upon direction from the Borrower, shall remit from money in the Rebate Funds all rebate installments and a final rebate payment to the United States of America required by the Tax Compliance Agreement. Neither the Trustee nor the Issuer shall have any obligation to pay any amounts required to be rebated pursuant to the Indenture and the Tax Compliance Agreement, other than from money held in the Rebate Fund created under the Indenture as provided in the Indenture or from other money provided to it by the Borrower. Any money remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the Borrower.

The obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of the Indenture and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds until all arbitrage rebate shall have been paid.

Investment of Money

Money held in each of the funds and accounts under the Indenture shall be invested and reinvested by the Trustee, pursuant to written directions of the Borrower Representative, in accordance with the provisions of the Indenture and the Tax Compliance Agreement in Permitted Investments that mature or are subject to redemption by the registered owner thereof prior to the date such funds are expected to be needed. The Trustee is authorized, in making or disposing of any investment permitted by the Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee may pool money for investment purposes, except money held in any fund or account that are required to be yield restricted in accordance with the Tax Compliance Agreement, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such money are originally held. The interest accruing on each fund or account and any profit realized from such Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to the Indenture) shall be credited to such fund or account and any loss resulting from such Permitted Investments shall be charged to such fund or account; provided, however that investment earnings on the Project Fund shall be credited to the Debt Service Fund. The Trustee shall sell or present for redemption and reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary to provide money in any fund or account for the purposes of such fund or account and the Trustee shall not be liable for any loss resulting from such investments.

Events of Default

The term “**event of default**”, wherever used in the Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of any interest on any Bond when such interest becomes due and payable;
- (b) default in the payment of the principal or redemption price of any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise);
- (c) default in the performance, or breach, of any covenant or agreement of the Issuer in the Indenture (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in the Indenture), and continuance of such default or breach for a period of 60 days after there has been given to the Issuer and the Borrower by the Trustee or to the Issuer, the Borrower and the Trustee by the registered owners of at least 10% in aggregate principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 30-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Issuer shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) any event of default under the Loan Agreement shall occur and is continuing and has not been waived in accordance with the provisions of the Loan Agreement.

With regard to any alleged default concerning which notice is given to the Borrower under the provisions of the Indenture, the Issuer grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Issuer, with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts in order to remedy such default.

Acceleration of Maturity; Rescission and Annulment

If an event of default occurs and is continuing, the Trustee may, and if requested by the registered owners of not less than 25% in aggregate principal amount of the Bonds Outstanding shall, by written notice to the Issuer and the Borrower, declare the principal of all Bonds Outstanding and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in the Indenture, the registered owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Issuer, the Borrower and the Trustee, rescind and annul such declaration and its consequences if:

- (a) there is deposited with the Trustee a sum sufficient to pay the following:
 - (1) all overdue installments of interest on all Bonds;
 - (2) the principal or redemption price of any Bonds that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds;
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds; and
 - (4) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and
- (b) all events of default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in the Indenture

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any event of default under the Indenture, unless the same is waived as provided in the Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Indenture or by law:

(a) ***Right to Bring Suit, Etc.*** The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal or redemption price of and interest on the Bonds Outstanding, including interest on overdue principal (or redemption price) and on overdue installments of interest, and any other sums due under the Indenture, to realize on or to foreclose any of its interests or liens under the Indenture or any other Financing Document, to enforce and compel the performance of the duties and obligations of the Issuer as set forth in the Indenture and to enforce or preserve any other rights or interests of the Trustee under the Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) ***Exercise of Remedies at Direction of Registered Owners.*** If requested in writing to do so by the registered owners of not less than 25% in aggregate principal amount of Bonds Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Indenture as the Trustee shall deem most expedient in the interests of the registered owners.

(c) ***Appointment of Receiver.*** Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the registered owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) ***Suits to Protect the Trust Estate.*** The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the registered owners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the registered owners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the registered owners in any judicial proceeding to which the Issuer or the Borrower is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the registered owners.

(e) ***Enforcement Without Possession of Bonds.*** All rights of action under the Indenture or any of the Bonds may be enforced and prosecuted by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and subject to the provisions of the Indenture, be for the equal and ratable benefit of the registered owners of the Bonds in respect of which such judgment has been recovered.

(f) ***Restoration of Positions.*** If the Trustee or any registered owner has instituted any proceeding to enforce any right or remedy under the Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been

determined adversely to the Trustee or to such registered owner, then and in every case the Issuer, the Borrower, the Trustee and the registered owners shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Indenture, and thereafter all rights and remedies of the Trustee and the registered owners shall continue as though no such proceeding had been instituted.

Control of Proceedings by Registered Owners

The registered owners of a majority in aggregate principal amount of the Bonds Outstanding shall have the right, during the continuance of an event of default,

(a) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds or otherwise; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture, provided that:

(1) such direction shall not be in conflict with any rule of law or the Indenture;

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the owners not taking part in such direction.

Notwithstanding any provision of the Indenture, if the Borrower provides to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that any action required under the Indenture is no longer required, or to the effect that some further action is required, to maintain the exclusion of interest on the Bonds from federal gross income, the Trustee and the Issuer may conclusively rely on such opinion in complying with the provisions of the Indenture, and the covenants under the Indenture shall be deemed to be modified to that extent.

Application of Money Collected

Any money collected by the Trustee pursuant to the Indenture (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such money) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, redemption price or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) **First:** To the payment of all amounts due the Trustee under the Indenture;

(b) **Second:**

(1) If the principal of all the Bonds shall not have become and shall not have been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of

such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price on the Bonds which shall have become due (other than Bonds called for redemption or payment for payment of which money are held pursuant to the provisions of the Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal or redemption price due on such date, to the persons entitled thereto without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such money shall be applied to the payment of the principal or redemption price of and interest then due and unpaid upon the Bonds without preference or priority of principal, redemption price or interest over the others, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, redemption price, and interest to the persons entitled thereto without any discrimination or privilege; and

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, provided that no distribution has been made pursuant to the provisions of the Indenture, the money shall be applied in accordance with the provisions of the Indenture.

(c) **Third:** To the payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever money is to be applied by the Trustee pursuant to the provisions of the Indenture, such money shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such money, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, and shall not be required to make payment to the registered owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Corporate Trustee Required; Eligibility

There shall at all times be a Trustee under the Indenture which shall be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust administration office located in the State. The Trustee must have a combined capital and surplus of at least \$50,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under the Indenture and any other

agreements made in connection with the Bonds, on terms satisfactory to the Issuer, by a guarantor with such combined capital and surplus. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of the Indenture, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of the Indenture, it shall resign immediately in the manner and with the effect specified in the Indenture.

Resignation and Removal of Trustee

(a) The Trustee may resign at any time by giving written notice thereof to the Issuer, the Borrower and each registered owner of Bonds Outstanding as shown by the bond register required to be kept by the Trustee under the Indenture. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Issuer and the Trustee signed by the registered owners of a majority in principal amount of the Outstanding Bonds, or, so long as the Borrower is not in default under the Loan Agreement, by the Borrower. The Issuer, the Borrower or any registered owner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time (1) the Trustee shall cease to be eligible under the Indenture and shall fail to resign after written request therefor by the Issuer or by any such registered owner, or (2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, the Issuer may remove the Trustee, or the Borrower or any registered owner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Trustee shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to the registered owners of Bonds as their names and addresses appear in the bond register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office or other designated payment office.

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to the Indenture shall become effective until the acceptance of appointment by the successor Trustee under the Indenture.

Appointment of Successor Trustee

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, with the written consent (which consent shall not be unreasonably withheld) of the Borrower (so long as no event of default under the Indenture or under the Loan Agreement has occurred and is continuing), or the registered owners of a majority in principal amount of Bonds Outstanding (if an event of default under the Indenture or under the Loan Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Issuer and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee

shall be so appointed by the Issuer or the registered owners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner provided in the Indenture, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner provided in the Indenture, the Trustee or any registered owner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of the Indenture shall be a bank with trust powers or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of the Indenture.

Supplemental Indentures without Consent of Registered Owners

Without the consent of the registered owners of any Bonds, and with the consent of the Borrower, the Issuer and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

- (a) to more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to substitute or add additional property thereto as permitted by the Loan Agreement, or to correct or amplify the description of any property at any time subject to the lien of the Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property;
- (b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as set forth in the Indenture, additional conditions, limitations and restrictions thereafter to be observed;
- (c) to authorize the issuance of any series of Additional Bonds and make such other provisions as provided in the Indenture;
- (d) to modify or eliminate any of the terms of the Indenture; provided, however, that: (1) such Supplemental Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any series issued prior to the execution of such Supplemental Indenture, and (2) the Trustee may, in its discretion, decline to enter into any such Supplemental Indenture which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative;
- (e) to evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture;
- (f) to add to the covenants of the Issuer or to the rights, powers and remedies of the Trustee for the benefit of the registered owners of all of the Bonds or to surrender any right or power conferred upon the Issuer in the Indenture;
- (g) to cure any ambiguity, to correct or supplement any provision in the Indenture that may be inconsistent with any other provision in the Indenture or to make any other change, with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the

Indenture, provided such action shall not materially adversely affect the interests of the registered owners of the Bonds; or

(h) to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or any state of the United States of America.

Supplemental Indentures with Consent of Registered Owners

With the consent of the registered owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, and with the consent of the Borrower, the Issuer and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the registered owners of the Bonds under the Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the registered owner of each Outstanding Bond affected thereby, carry out any of the following:

(a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or the redemption price thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose registered owners is required for any such Supplemental Indenture, or the consent of whose registered owners is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences;

(c) modify the obligation of the Issuer to make payment on or provide funds for the payment of any Bond;

(d) modify or alter the provisions of the proviso to the definition of the term "Outstanding";

(e) modify any of certain provisions of the Indenture, except to increase any percentage provided thereby or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the registered owner of each Bond affected thereby; or

(f) permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the Trust Estate or terminate the lien of such Indenture on any property at any time subject thereto or deprive the registered owner of any Bond of the security afforded by the lien of the Indenture.

The Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Indenture and any such determination shall be conclusive upon the registered owners of all Bonds, whether theretofore or thereafter authenticated and delivered under the Indenture. The Trustee shall not be liable for any such determination made in good faith.

Borrower's Consent to Supplemental Indentures

So long as no event of default has occurred and is continuing under the Loan Agreement, a Supplemental Indenture under the Indenture will not become effective unless and until the Borrower consents in writing to the execution and delivery of such Supplemental Indenture; provided that receipt by the Trustee of a Supplemental Loan Agreement executed by the Borrower in connection with the issuance of Additional Bonds shall be deemed to be the consent of the Borrower to the execution of the related Supplemental Indenture.

Payment, Discharge and Defeasance of Bonds

Bonds will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if the Issuer shall pay or provide for the payment of such Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
- (b) by delivering such Bonds to the Trustee for cancellation; or
- (c) by depositing in trust with the Trustee money and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including payment of the principal or redemption price thereof and interest payable thereon to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or redemption dates only with cash or Defeasance Obligations pursuant to the Indenture, subject to receipt by the Trustee and the Issuer of (1) a verification report prepared by independent certified public accountants, or other verification agent, satisfactory to the Trustee and the Issuer, and (2) an Opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer to the effect that the payment of the principal or redemption price of and interest on all of the Bonds then Outstanding and any and all other amounts required to be paid under the provisions of the Indenture has been provided for in the manner set forth in the Indenture and to the effect that so providing for the payment of any Bonds will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of the Indenture.

The foregoing notwithstanding, the liability of the Issuer in respect of such Bonds shall continue, but the registered owners thereof shall thereafter be entitled to payment only out of the money and Defeasance Obligations deposited with the Trustee as aforesaid.

Money and Defeasance Obligations so deposited with the Trustee pursuant to the Indenture shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such money and Defeasance Obligations shall be applied by the Trustee to the payment to the Persons entitled thereto, of the principal or redemption price and interest for whose payment such money and Defeasance Obligations have been deposited with the Trustee.

Satisfaction and Discharge of Indenture

The Indenture and the lien, rights and interests created by such Indenture shall cease, determine and become null and void (except as to any surviving rights under the Indenture) if the following conditions are met:

- (a) the principal or redemption price of and interest on all Bonds has been paid or is deemed to be paid and discharged by meeting the conditions of the Indenture;
- (b) all other sums payable under such Indenture with respect to the Bonds are paid or provision satisfactory to the Trustee is made for such payment;
- (c) the Trustee receives an Opinion of Bond Counsel (which may be based upon a ruling or rulings of the Internal Revenue Service) addressed to the Trustee and the Issuer to the effect that so providing for the payment of any Bonds will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of the Indenture;
- (d) the Trustee receives an Opinion of Counsel addressed and delivered to the Trustee and the Issuer to the effect that all conditions precedent in the Indenture to the satisfaction and discharge of the Indenture have been complied with.

Thereupon, the Trustee shall execute and deliver to the Issuer a termination statement and such instruments of satisfaction and discharge of the Indenture as may be necessary and shall pay, assign, transfer and deliver to the Issuer, or other Persons entitled thereto, all money, securities and other property then held by it under the Indenture as a part of the Trust Estate, other than money or Defeasance Obligations held in trust by the Trustee as provided in the Indenture for the payment of the principal or redemption price of and interest on the Bonds.

Acts of Registered Owners

Any notice, request, demand, authorization, direction, consent, waiver or other action provided by the Indenture to be given or taken by registered owners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such registered owners in person or by an agent duly appointed in writing. Except as otherwise expressly provided in the Indenture, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is expressly required by the Indenture, to the Issuer or the Borrower. Proof of execution of any such instrument or of a writing appointing any such agent, or of the registered ownership of Bonds, shall be sufficient for any purpose of the Indenture and conclusive in favor of the Issuer and the Trustee, if made in the following manner:

- (a) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The fact and date of execution of any such instrument or writing and the authority of any Person executing the same may also be proved in any other manner which the Trustee deems sufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred to in the Indenture.

(c) The registered ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the bond register maintained by the Trustee.

In determining whether the registered owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Bonds registered in the name of the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the registered owner of any Bond shall bind every future owner of the same Bond and the registered owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

SUMMARY OF THE LOAN AGREEMENT

The following is a summary of certain provisions contained in the Loan Agreement and is qualified in its entirety by reference to the Loan Agreement.

Loan of Funds to the Borrower

The Issuer shall make the Loan to the Borrower, using the proceeds of the sale of the Series 2026 Bonds, and the Borrower shall receive such Loan from the Issuer, for the purposes and upon the terms and conditions provided in the Indenture and the Loan Agreement. The proceeds of the Series 2026 Bonds loaned to the Borrower shall be paid to the Trustee for deposit in the various funds described in the Indenture and shall be administered, disbursed and applied in the manner provided in the Indenture. The Loan shall be evidenced by the Series 2026 Note, which shall be in substantially the form set forth in the Loan Agreement, shall be executed by the Borrower and made payable to the Issuer, and shall be endorsed and assigned by the Issuer, without recourse, to the Trustee.

Project Documents

Unless waived in writing by the Trustee, the Borrower shall maintain in its files and available for inspection by the Trustee upon request copies of the following documents at such time as such documents become available and in any event by the time work is commenced on the portion of the Project to which they relate:

(a) **Plans and Specifications.** All available preliminary and final plans and specifications for each component of the Project.

(b) **Construction Contracts.** Any and all contracts of the architect, the general contractor and the construction manager for each component of the Project and all prime subcontractor's contracts and purchase orders for any equipment included in the Project.

(c) **Licenses and Permits.** All licenses, permits and approvals required or necessary to construct, occupy and operate each component of the Project, including permits or appropriate letters of non-reviewability, for the acquisition, construction and equipping of portions of the Project, if required, from any governmental agency as may be necessary for such work.

Changes to the Project

The Borrower may make, authorize or permit such changes to each component of the Project as it may reasonably determine to be necessary or desirable; provided, however, that no such change shall be made to the Project that would cause a material change in the scope, nature, or function of the Project, unless the Borrower files the following with the Trustee:

(a) an Officer's Certificate to the effect that the Project will, after such change, continue to constitute facilities authorized and permitted to be financed under the Act, and such change will not result in any property of the Borrower being used for any purpose prohibited by the Loan Agreement or otherwise result in the Borrower failing to comply with any provisions of the Loan Agreement; and

(b) an Opinion of Bond Counsel addressed to the Trustee and the Issuer to the effect that such change or amendment to the Project will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income taxation purposes.

If any change would render materially inaccurate the description of the Project in the Loan Agreement, there shall be delivered to the Trustee a revised Loan Agreement containing a description of the Project that reflects the change in the Project, the accuracy of which shall have been certified by an Officer's Certificate.

Enforcement of Contracts and Surety Bonds

In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Borrower will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of the Borrower against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to the Borrower of any amounts theretofore paid by the Borrower and not previously reimbursed to the Borrower for correcting or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be paid to the Trustee for deposit into the Project Fund if received before the date of completion of the Project, and otherwise for deposit into the Debt Service Fund.

Loan Payments

The Borrower shall make the following payments (the "**Loan Payments**") in repayment of the Loan and to provide for payment of the principal or redemption price of and interest on the Series 2026

Bonds, directly to the Trustee, in immediately available funds, for deposit in the Debt Service Fund, on the following dates, and otherwise as set out below:

(a) ***Debt Service Fund-Interest:*** On or before 11:00 a.m., central time, on or before the tenth Business Day next preceding each Interest Payment Date or other date that interest is due on the Series 2026 Bonds, the full amount of the interest that will become due on the Series 2026 Bonds on such Interest Payment Date or other date.

(b) ***Debt Service Fund-Scheduled Principal:*** On or before 11:00 a.m., central time, on or before the tenth Business Day next preceding each principal payment date or other date that principal is due on the Series 2026 Bonds, the full amount of the principal that will become due on the Series 2026 Bonds on such principal payment date or other date.

(c) ***Debt Service Fund-Redemption or Acceleration:*** On or before the date required by the Loan Agreement or the Indenture, the amount required to redeem Bonds then Outstanding if (1) the Borrower exercises its right to redeem Bonds under any provision of the Indenture or if any Bonds are required to be redeemed (other than pursuant to mandatory sinking fund redemption provisions) under any provision of the Indenture, or (2) the Series 2026 Bonds are accelerated due to an event of default under the Loan Agreement or the Indenture.

The Borrower shall receive a credit against its obligations to make the Loan Payments under the Loan Agreement, and the obligation of the Borrower to make any such payment under the Loan Agreement shall be deemed satisfied and discharged, as further provided in the Loan Agreement.

If the Borrower fails to make any of the payments required in the Loan Agreement, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon from the date when such payment was due until paid in full, at the rate of interest borne by the Series 2026 Bonds.

Prepayment of the Loan

The Borrower may prepay from time to time the amounts payable under the Loan Agreement in sums sufficient to redeem or to pay or cause to be paid all or part of the Series 2026 Bonds in accordance with the provisions of the Indenture. Upon written notice and direction by the Borrower to the Issuer to redeem Bonds subject to optional redemption under the Indenture, the Issuer shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then Outstanding Bonds, as may be specified by the Borrower, on the date established for such redemption. Whenever any Bonds shall have been called for optional redemption under any provision of the Indenture, the Borrower shall deposit with the Trustee money in such amounts and at such times required to redeem such Bonds, including the principal or redemption price thereof and accrued interest thereon to the redemption date. The Borrower further agrees that in the event the payment of the principal of and interest on the Loan is accelerated upon the occurrence of an event of default under the Loan Agreement, all Loan Payments payable for the remainder of the term of the Loan Agreement shall be accelerated and prepayment shall be made on the Loan in such amounts. Any such prepayments shall be deposited in the Debt Service Fund, and applied by the Trustee in accordance with the provisions of the Indenture.

Obligations Absolute and Unconditional

The obligations of the Borrower under the Loan Agreement are general obligations of the Borrower, and the full faith and credit of the Borrower is pledged to the payment of all amounts due and payable by the Borrower under the Loan Agreement. The Borrower shall pay all such amounts due and payable under the Loan Agreement using any and all available resources of the Borrower, as necessary. The Borrower shall pay all Loan Payments and other payments due under the Loan Agreement and perform its obligations, covenants and agreements under the Loan Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, discrimination or defense or any right of termination or cancellation arising from any circumstances whatsoever, and regardless of the invalidity of any portion of the Loan Agreement, and, to the extent permitted by law, the Borrower waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under the Loan Agreement or which releases or purports to release the Borrower therefrom. Nothing in the Loan Agreement shall be construed as a waiver by the Borrower of any rights or claims the Borrower may have against the Issuer under the Loan Agreement or otherwise, but any recovery upon such rights or claims shall be had from the Issuer separately, it being the intent of the Loan Agreement that the Borrower shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under the Loan Agreement for the benefit of the registered owners of the Series 2026 Bonds.

Corporate Existence and Tax-Exempt Status

Except as otherwise expressly provided in the Loan Agreement, the Borrower shall (a) preserve and keep in full force and effect its corporate or other separate legal existence, (b) remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of the Project or the conduct of its business or affairs requires such qualification, and (c) maintain its status as a Tax-Exempt Organization and as a nonprofit organization as described under the Act.

Maintenance and Use of the Project

The Borrower shall cause each component of the Project to be maintained, preserved and kept in good repair and working order and condition and in as safe condition as its operations will permit and shall make all repairs, renewals, replacements and improvements thereof necessary for the efficient conduct of its business and operations, and shall, during the term of the Series 2026 Bonds, operate the facilities financed and refinanced by the Series 2026 Bonds as a “project” within the meaning of the Act. Nothing in the Loan Agreement shall obligate the Borrower to preserve, repair, renew or replace any portion of the Project no longer used or no longer useful in the conduct of its business, or prevent the Borrower from discontinuing the operation of any portion of the Project or from removing or demolishing any building or buildings, if in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its governing board) such discontinuance is desirable in the conduct of its business. The Borrower may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with the provisions of the Loan Agreement and will not result in a violation of the provisions of the Loan Agreement, and the Borrower may dispose of any portion of the Project as permitted by the Loan Agreement.

Subject to the provisions of the Loan Agreement, the Borrower shall have the right to use the Project for any purpose allowed by law and contemplated by the Act. Except as provided in the Loan Agreement, the Issuer reserves no power or authority with respect to the operation of the Project by the Borrower and activities incident thereto, it being the intention of the parties to the Loan Agreement that so long as the Borrower shall duly and faithfully observe and perform all of the terms, covenants, provisions and

agreements of the Loan Agreement, the Borrower shall manage, administer and govern the Project on a continuing day-to-day basis.

The Borrower may dedicate any portion of the Project that constitutes a public improvement (including streets, sidewalks, and other public facilities of the type municipalities typically own and operate) to the Issuer.

Up to 5% of the total of bond-financed assets constituting part of the Project may be removed, altered, or razed without any further requirement of notice to the Trustee or the Issuer, and any such change shall not require an Opinion of Bond Counsel. Any sale or lease to unrelated third-parties of bond-financed assets constituting part of the Project shall not constitute part of such 5% and are subject to the relevant provisions of the Tax Compliance Agreement and an Opinion of Bond Counsel.

The Borrower agrees that it will not use or permit the use of any portion of the Project (a) for sectarian instruction or study or as a place of religious worship or in connection with any part of a program of a school or department of divinity of or for any religious denomination or for the training of ministers, priests, rabbis or other similar persons in the field of religion, or (b) in a manner that is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State and the decisions of the Nebraska Supreme Court interpreting the same.

Compliance with Laws and Regulations

The Borrower shall conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States of America and the several states thereof and observe and conform to all valid orders, regulations or requirements of any governmental authority applicable to the conduct of its business and operations and the ownership of the Project, including without limitation environmental laws, orders or regulations; provided, however, that nothing contained in the Loan Agreement shall require the Borrower to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof shall be contested by the Borrower in good faith by appropriate proceedings, provided that the Borrower shall have set aside on its books adequate reserves with respect to such contest and such contest shall not materially impair the ability of the Borrower to meet its obligations under the Loan Agreement.

Payment of Taxes and Other Charges

The Borrower shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Borrower or the Project or any part thereof or upon any income therefrom; provided, however, that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Borrower shall have established and shall maintain adequate reserves on its books for the payment of the same.

Liens and Encumbrances

The Borrower shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project except Permitted Encumbrances, and shall promptly discharge or terminate all mortgages, liens, security interests, charges and encumbrances on the

Project that are not Permitted Encumbrances. The Borrower shall comply with all terms, covenants and provisions contained in any lien or security interest existing upon the Project or any part thereof or securing any of its Indebtedness unless the validity, amount or collectability thereof is being contested in good faith or the failure to comply or contest would not materially impair its ability to pay its Indebtedness when due nor subject a material amount of the Project of the Borrower to loss or forfeiture.

Licenses and Permits

The Borrower shall procure and maintain all licenses, permits and accreditations necessary or desirable in the operation of the Project (other than those not currently having such status) as a provider of services eligible for payment or reimbursement under those third-party payment programs that the governing board of the Borrower determines are appropriate; provided, however, that the Borrower shall not be required to procure or maintain in effect any permit, license or accreditation that the governing board of the Borrower determines in good faith, is not in the best interests of the Borrower, is no longer necessary or desirable in the conduct of its business and the lack of which will not materially impair the ability of the Borrower to perform its obligations under the Loan Agreement.

Insurance

The Borrower shall maintain insurance coverage, through reputable insurance carriers or self-insurance or alternative risk management programs, with respect to the Project and the Borrower's facilities, covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, general liability, professional liability, workers' compensation, and employee dishonesty) and in such amounts as, in its judgment, are adequate to protect the Borrower and the Project.

All such policies shall be carried in the name of the Borrower, and, if applicable, shall name the Issuer and the Trustee as loss payee and as additional insureds as their respective interests may appear. All such policies for property and casualty insurance shall contain standard clauses that provide for Net Proceeds of insurance resulting from claims per casualty thereunder that are \$500,000 or less for loss or damage covered thereby to be made payable directly to the Borrower and Net Proceeds from such claims for casualty losses in excess of \$500,000 to be made payable directly to the Trustee. The Net Proceeds of property and casualty insurance shall be applied as provided in the Loan Agreement.

As soon as practicable after the execution of the Indenture, and within 90 days after the close of each fiscal year thereafter, and at any time upon the request of the Trustee, the Borrower shall file with the Trustee an Officer's Certificate containing a list of the insurance or self-insurance in force upon the Project on a date therein specified (which date shall be within 30 days of the filing of such Certificate), including the names of the insurers with which the policies and other contracts of insurance are carried, the numbers, amounts and expiration dates of such policies and other contracts and the property and hazards covered thereby, and stating that the insurance so listed complies with the Loan Agreement. To the extent the insurance required by the Loan Agreement is provided through commercial insurance policies, the Borrower shall annually deliver to the Trustee policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect, or actuarial reports or other evidence of its current insurance and self-insurance coverage. In lieu of separate policies, the Borrower may maintain a single policy, blanket or umbrella policies, or a combination thereof, in which event the Borrower shall deposit with the Trustee a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Project of the Borrower.

In lieu of maintaining the insurance coverage stated above, the Borrower shall have the right to adopt alternative risk management programs that the governing board of the Borrower determines to be reasonable and in the best interests of the Borrower, including, without limitation, to self-insure in whole or in part, individually or in connection with other institutions or organizations, to participate in programs of captive insurance companies and to create and operate such captive insurance companies, to participate with other institutions in mutual or other cooperative insurance or other risk management programs, or to establish or participate in other alternative risk management programs.

To the extent any insurance required by the Loan Agreement is provided by a self-insurance program (except for self-insurance for workers' compensation), the Borrower agrees (a) to deliver to the Trustee prior to the time such self-insurance program is implemented and annually thereafter within 90 days of the fiscal year, a written report with respect to such self-insurance program by an independent actuary and which shall contain or be accompanied by a recommendation of the independent actuary as to what funding levels will be adequate to protect the Borrower against the above claims, (b) to maintain with an independent corporate trustee such reserves as are recommended from time to time by such an independent actuary, which reserves may be invested at the direction of the Borrower and the income derived therefrom or thereon may be applied as directed by the Borrower, (c) to provide or cause to be provided to the Trustee annually an Officer's Certificate evidencing compliance with the provisions of this paragraph during the preceding year and with an annual financial statement regarding such trust, and (d) to maintain a risk management and claims management program pursuant to such self-insurance program.

Sale, Lease or Other Disposition of the Project

The Borrower shall not in any fiscal year, sell, lease or otherwise transfer or dispose of a portion of the Project in an amount that aggregates in excess of 10% of the total value of the Project (calculated on the basis of the Book Value or, if the Borrower so elects, on the basis of Current Value as stated in the most recent audited financial statements of the Borrower), except for transfers of the Project as follows:

- (a) The Borrower may transfer a portion of the Project to any Person in the ordinary course of business.
- (b) The Borrower may transfer a portion of the Project to any Person for fair and adequate consideration on terms no less favorable to the Borrower than would be obtained in a comparable arm's-length transaction.
- (c) The Borrower may transfer a portion of the Project to any Person, if in the reasonable judgment of the Borrower, such portion of the Project has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the Borrower's primary business.
- (d) The Borrower may transfer portions of the Project consisting solely of assets that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payment on Indebtedness of the Borrower.
- (e) The Borrower may transfer portions of the Project not essential to the Borrower's primary business operation, and the proceeds of such transfer are used to acquire additional facilities, to repay the principal of Indebtedness of the Borrower, or otherwise used in a productive manner to the benefit of the Borrower's operations.

(f) The Borrower may transfer the Project as part of a consolidation, merger, conveyance or transfer permitted by the Loan Agreement.

(g) The Borrower may transfer a portion of the Project as a loan to any Person provided that such loan is evidenced in writing, such loan bears interest at a reasonable interest rate, and the Trustee receives an Officer's Certificate stating that there is a reasonable expectation that such loan will be repaid in accordance with its terms and that such would not result in a reduction of the level of unrestricted cash and liquid investments of the Borrower below 30 day's operating expenses.

(h) The Borrower may transfer a portion of the Project to any Person, provided that prior to such transfer there is delivered to the Trustee an Officer's Certificate stating that, immediately after the proposed disposition (A) the Borrower could meet the conditions described in the Loan Agreement for the incurrence of one dollar of additional Indebtedness, and (B) the Unrestricted Net Assets of the Borrower will be equal to at least 90% of the Unrestricted Net Assets of the Borrower immediately prior to the disposition.

Notwithstanding the foregoing, the provisions of the Loan Agreement need not be met if the transfer is otherwise permitted by the Loan Agreement.

Consolidation, Merger, Conveyance or Transfer of the Project

The Borrower shall not consolidate with or merge into any other Person or convey or transfer substantially all of the Project to any Person, unless the following conditions are met:

(a) such merger, consolidation, conveyance or transfer is on such terms as shall fully preserve the lien and security of the Indenture and the Loan Agreement and the rights and powers of the Trustee and the registered owners of the Series 2026 Bonds under the Indenture and the Loan Agreement;

(b) the Person formed by such consolidation or into which the Borrower is merged or the Person that acquires by conveyance or transfer the Project substantially as an entirety is a corporation or other legal entity organized and existing under the laws of the United States of America or any state thereof, owns and operates a "nonprofit enterprise" within the meaning of the Act authorized to conduct business in the State, is a Tax-Exempt Organization, and shall execute and deliver to the Trustee a written instrument in form satisfactory to the Trustee, containing an assumption by such successor of the due and punctual payment of the principal or redemption price of and interest on the Loan and the performance and observance of every covenant and condition of the Loan Agreement to be performed or observed by the Borrower;

(c) the Trustee receives an Officer's Certificate stating that, immediately after giving effect to such transaction, (1) no event of default under the Loan Agreement shall have occurred and be continuing, (2) the successor or transferee shall possess such permits, licenses and accreditations to operate such Project as may be required if it is to operate such Project, (3) the Borrower could meet the conditions described in the Loan Agreement for the incurrence of one dollar of additional Indebtedness, and (4) the Unrestricted Net Assets of the successor or transferee will be equal to at least 90% of the Unrestricted Net Assets of the Borrower immediately prior to such transaction;

(d) the Trustee and the Issuer receive an Opinion of Counsel to the effect that (1) such consolidation, merger, conveyance or transfer complies with the Loan Agreement and all conditions precedent in the Loan Agreement provided for relating to such transaction have been complied with, (2) such transaction will not adversely affect the status of the successor or transferee as a Tax-Exempt

Organization, and (3) the successor or transferee is liable on the Loan, as if such Loan were originally made to such Person; and

(e) the Trustee and the Issuer receive an Opinion of Bond Counsel to the effect that under then existing law the consummation of such consolidation, merger, conveyance, or transfer would not adversely affect the exclusion of the interest payable on such Bonds from gross income under the Internal Revenue Code.

Upon any consolidation or merger or any conveyance or transfer of the Project substantially as an entirety in accordance with the Loan Agreement, the successor corporation or other entity formed by such consolidation or into which the Borrower is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower under the Loan Agreement with the same effect as if such successor corporation or other entity had been named as the Borrower in the Loan Agreement.

Tax Covenants

The Borrower covenants and agrees that it will not take any action or permit any action to be taken that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2026 Bonds and will take whatever action, or refrain from whatever action, necessary to comply with the requirements of the Internal Revenue Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2026 Bonds. The Borrower covenants that it shall comply with the Tax Compliance Agreement and shall pay or provide for payment to the United States Government or the Trustee, all rebate payments required under Section 148(f) of the Internal Revenue Code and the Tax Compliance Agreement, to the extent such amounts are not available to the Trustee in the Rebate Fund held under the Indenture. This covenant shall survive payment in full or defeasance of the Series 2026 Bonds.

Assignment by the Borrower

The Borrower shall not assign the Loan Agreement, as a whole or in part, without the prior written consent of the Issuer and the Trustee unless such assignment is pursuant to a merger, consolidation or transfer of the Project substantially as an entirety as permitted under the Loan Agreement, or unless the following conditions are met:

(a) No assignment shall relieve the Borrower from primary liability for any of its obligations under the Loan Agreement, and in the event of any such assignment, the Borrower shall continue to remain primarily liable for payment of the amounts specified in the Loan Agreement and the performance and observance of the other agreements to be performed and observed by the Borrower under the Loan Agreement to the same extent as though no assignment had been made.

(b) The assignee shall assume the obligations of the Borrower under the Loan Agreement to the extent of the interest assigned.

(c) The Trustee and the Issuer shall have received an Opinion of Bond Counsel, in form and substance satisfactory to the Trustee and the Issuer, to the effect that under then existing law the consummation of such assignment would not adversely affect the exclusion of the interest payable on the Series 2026 Bonds from gross income under the Internal Revenue Code.

(d) The Borrower shall give prior written notice of such assignment to the Issuer and the Trustee, and, within 30 days after the delivery thereof, shall furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment and assumption of obligations and an Opinion of Counsel that such assignment is permitted by and in compliance with the provisions of the Loan Agreement.

Covenants under Other Financing Documents

During the term of the Loan Agreement, the Borrower covenants and agrees that it shall perform or cause to be performed all covenants and agreements required on the part of the Borrower under the Indenture and any other Financing Documents, and shall deliver to the Trustee all reports, opinions and other documents required by the Indenture and all other Financing Documents to be submitted to the Trustee at the times required by the Indenture and all other Financing Documents.

Maintenance of Unrestricted Net Assets

During the term of the Loan Agreement, the Borrower covenants and agrees that it will, and will cause the Guarantor to, maintain consolidated Unrestricted Net Assets in an amount not less than two times the aggregate amount of Indebtedness of the Borrower and the Guarantor, as determined on January 1 and July 1 of each year as of the immediately preceding December 31 and June 30, respectively. The Borrower may use any of its Unrestricted Net Assets for its general purposes so long as the Borrower replenishes such Unrestricted Net Assets to the required amount as of each testing date.

Additional Bonds and Additional Notes

The Issuer from time to time in its sole discretion, at the written request of the Borrower, may authorize the issuance of Additional Bonds for the purposes and upon the terms and conditions provided in the Indenture; provided that (a) the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds thereof are to be disbursed shall have been approved by resolutions adopted by the Issuer and the Borrower, (b) the Issuer and the Borrower shall have entered into a Supplemental Loan Agreement to acknowledge that Loan Payments are revised to the extent necessary to provide for the payment of the principal or redemption price of and interest on the Additional Bonds and to extend the term of the Loan Agreement if the maturity of any of the Additional Bonds would otherwise occur after the expiration of the term of the Loan Agreement, and (c) the Issuer and the Borrower shall have otherwise complied with the provisions of the Loan Agreement and the Indenture with respect to the issuance of such Additional Bonds.

Simultaneously with the issuance of any Additional Bonds under the Indenture, the Borrower will issue and deliver to the Issuer (but only to the Issuer) one or more Additional Notes pursuant to the Loan Agreement, in order to evidence the loan from the Issuer to the Borrower of the proceeds of any such Additional Bonds. The principal amount of any Additional Notes shall be equal to the principal amount of the corresponding series of Additional Bonds being issued concurrently with such Additional Notes. The Borrower agrees that the net proceeds from the loan evidenced by such Additional Notes shall be deposited with the Trustee as provided in the Indenture and in the Supplemental Indenture executed in connection with the issuance of such Additional Bonds. Any such Additional Notes may bear interest at any rate lawful at the time of issuance thereof and may mature over any period of time not exceeding the maximum maturity permitted by law, and as may be agreed upon by the Borrower and the Issuer. Any Additional Notes shall (a) be given a designation by year or alphabetical letter differentiating such Additional Notes from other Notes then Outstanding, (b) be substantially in the form of the Series 2026 Note attached to the Loan Agreement (with appropriate variations or insertions), and (c) be pledged and assigned and endorsed

without recourse by the Issuer to the Trustee as security for a corresponding series of Additional Bonds concurrently issued under the Indenture for the purpose of obtaining funds to make the loan to the Borrower evidenced by such Additional Notes. Upon the issuance of any Additional Notes and sale thereof, the same shall together with any other Notes then outstanding, be equally and ratably secured under the Loan Agreement.

Additional Obligations

The Borrower may issue or incur Additional Obligations for any proper corporate purpose if prior to the issuance and delivery of any Additional Obligations, and as a condition precedent thereto, the following documents and showings shall be executed and delivered to the Trustee:

(a) A loan agreement or other debt instrument, executed by the Borrower, specifying, among other things, the principal amount, rate of interest, maturity, terms of optional prepayment, if any, and form of any Additional Obligations.

(b) An Officer's Certificate stating that (1) no event of default under the Loan Agreement has occurred and is continuing and that no event has occurred and is continuing which with the lapse of time or giving of notice, or both, would constitute such an event of default, and (2) the purpose or purposes for which such Additional Obligations are being issued and accompanied by the certificates, reports or opinions demonstrating compliance with the test set forth in the Loan Agreement.

(c) Such other certificates, title insurance policies, endorsements or reports, financing statements, financial statements and opinions as the Trustee may reasonably request.

Such Additional Obligations shall not have a security interest in any of the Borrower's assets or properties; provided, however, that such Additional Obligations may be secured in any manner not inconsistent with the provisions and intent of the Indenture or the Loan Agreement.

In the event that the Borrower shall propose to secure any such Additional Obligation by a pledge, lien, or other security interest as described above, the Borrower shall as a condition of securing such Additional Obligation execute, deliver, file and record, and cause to be executed, delivered, filed and recorded by such owner or owners, such documents as counsel for the Trustee and the Borrower agree to be necessary or appropriate to grant to and/or otherwise secure for the Trustee a pledge of and a security interest in any security granted to the owner or owners of the Additional Obligation and not theretofore granted to the Trustee equivalent to the interest granted to such owner or owners of such Additional Obligation, to the end that all such outstanding secured Additional Obligations and all outstanding Notes shall be of equal rank and be entitled to share *pari passu* in such security.

Any default under any instrument or agreement providing for repayment of any Additional Obligation secured on parity with the Notes as provided in the Loan Agreement shall be a default under the Loan Agreement and there shall be included in any instrument or agreement providing for repayment of such Additional Obligation a provision that any default under the Loan Agreement shall be a default under such instrument or agreement. Any action that cures a default under any such instrument or agreement shall also cure such default under the Loan Agreement. Unless otherwise agreed to by the Trustee, the Trustee shall act as trustee under any instrument securing any such Additional Obligation. Any instrument or agreement providing for repayment of such Additional Obligation shall include a provision that, prior to exercising any remedies upon a default by the Borrower under such instrument or agreement, the Trustee (or the owners thereof, if the Trustee otherwise consents) shall consider the interests of the owners of the Additional Obligations and the Series 2026 Bonds and shall proceed such that the interests of such owner

or owners of the Additional Obligations and the registered owners of the Series 2026 Bonds shall be equally protected.

Permitted Indebtedness

The Borrower shall not incur any Indebtedness (whether or not incurred or evidenced through the issuance of Notes under the Loan Agreement) if the consolidated Unrestricted Net Assets of the Borrower and the Guarantor would be less than two times the aggregate Indebtedness of the Borrower and the Guarantor.

The Borrower shall, prior to the incurrence of any Indebtedness, deliver to the Trustee an Officer's Certificate that identifies the Indebtedness incurred, demonstrates compliance with the provisions and the other requirements of the Loan Agreement and attaches a copy of the instrument evidencing such Indebtedness, and, if such Indebtedness is to be on a parity with the Series 2026 Note, the payment of the principal or redemption price of and interest on such Indebtedness is unconditionally guaranteed by the Guarantor.

For the avoidance of doubt, if the Borrower shall be in compliance with the provisions of the Indenture and the Loan Agreement, including the ability to incur Additional Obligations in the amount of at least \$1, the Borrower may incur Indebtedness not to exceed \$15 million per occurrence; provided, however, the limitation shall be \$10 million while the Series 2017 Bonds and the Series 2020 Bonds are Outstanding. If permitted to be incurred, such Indebtedness shall not be required to be guaranteed by the Guarantor nor shall the immediately preceding paragraph apply. In addition, the incurrence of such Indebtedness shall not be subject to the limitations contained in the Loan Agreement.

Events of Default

The term "**event of default**," wherever used in the Loan Agreement, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of any interest on the Loan when such interest becomes due and payable;
- (b) default in the payment of the principal or redemption price of the Loan when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise);
- (c) default in the performance, or breach, of any covenant or agreement of the Borrower in the Loan Agreement (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in the Loan Agreement), and continuance of such default or breach for a period of 60 days after there has been given to the Borrower by the Issuer or the Trustee or to the Borrower and the Trustee by the registered owners of at least 25% aggregate principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 30-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Borrower shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch;

(d) any representation or warranty made by the Borrower in the Loan Agreement or in any written statement or certificate furnished to the Issuer or the Trustee or the purchaser of any Bond in connection with the sale of any Bond or furnished by the Borrower pursuant to the Loan Agreement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 60 days after there has been given to the Borrower by the Issuer or the Trustee or to the Borrower and the Trustee by the registered owners of at least 25% aggregate principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 30-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Borrower shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch;

(e) default in the payment of the principal or redemption price of and interest on any Indebtedness other than the Loan when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided, however, that such default shall not constitute an event of default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Borrower in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness;

(f) any judgment that is final, writ or warrant of attachment or of any similar process shall be entered or filed against the Borrower or against the Project and remains un-vacated, unpaid, un-bonded, un-stayed or uncontested in good faith for a period of 60 days; provided, however, that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so un-vacated, unpaid, un-bonded, un-stayed or uncontested, exceeds 5% of the Unrestricted Net Assets of the Borrower as shown on or derived from the most recent audited financial statements of the Borrower;

(g) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Borrower, or adjudging the Borrower a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Borrower under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Borrower or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order remains unstayed and in effect for a period of 60 consecutive days;

(h) the commencement by the Borrower of a voluntary case, or the institution by the Borrower of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Borrower or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by the Borrower in furtherance of any such action; or

(i) the occurrence and continuance of any “event of default” specified in the Indenture that has not been waived or cured.

Promptly after the Borrower may reasonably be deemed to have knowledge of a default under the Loan Agreement, the Borrower will deliver to the Trustee a written notice specifying the nature and period of existence thereof and the action the Borrower is taking and proposes to take with respect thereto.

Acceleration of Maturity; Rescission and Annulment

If an event of default under the Loan Agreement occurs and is continuing, the Trustee, as assignee of the Issuer, may, and if requested by the registered owners of not less than 25% aggregate amount of the Bonds Outstanding shall, by written notice to the Borrower and the Issuer, declare the principal of the Loan and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on the Loan has been obtained by the Trustee as provided in the Indenture, the Trustee may, by written notice to the Borrower, rescind and annul such declaration and its consequences if (a) the Borrower has deposited with the Trustee a sum sufficient to pay (1) all overdue installments of interest on the Loan, (2) the principal or redemption price of and interest on the Loan that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor, and (3) all sums paid or advanced by the Trustee under the Loan Agreement and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and (b) all events of default, other than the non-payment of the principal installments of the Loan which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in the Loan Agreement.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any event of default under the Loan Agreement and the Indenture, unless the same is waived as provided in the Loan Agreement, the Trustee, as assignee of the Issuer, shall have the following rights and remedies, in addition to any other rights and remedies provided under the Loan Agreement or by law:

(a) ***Right to Bring Suit, Etc.*** The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal or redemption price of and interest on the Loan, including interest on overdue principal (or redemption price) and on overdue installments of interest, and any other sums due under the Loan Agreement, to realize on or to foreclose any of its interests or liens under the Loan Agreement, to enforce and compel the performance of the duties and obligations of the Borrower as set forth in the Loan Agreement and to enforce or preserve any other rights or interests of the Trustee under the Loan Agreement existing at law or in equity.

(b) ***Exercise of Remedies at Direction of Registered Owners.*** If requested in writing to do so by the registered owners of not less than 25% aggregate amount of Bonds Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Loan Agreement as the Trustee shall deem most expedient in the interests of the registered owners of the Series 2026 Bonds.

(c) ***Appointment of Receiver.*** Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee under the Loan Agreement, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Project subject to the lien and security interest of the Loan Agreement, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) ***Suits to Protect Pledged Project.*** The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Project subject to the lien and security interest of the Loan Agreement by any acts that may be unlawful or in violation of the Loan Agreement and to protect its interests and the interests of the registered owners in the Project subject to the lien and security interest of the Loan Agreement, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Loan Agreement or be prejudicial to the interests of the registered owners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the registered owners in any judicial proceeding to which the Borrower is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the registered owners of the Series 2026 Bonds.

(e) ***Restoration of Positions.*** If the Trustee has instituted any proceeding to enforce any right or remedy under the Loan Agreement by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, then and in every case the Issuer, the Borrower, the Trustee and the registered owners of the Series 2026 Bonds shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Loan Agreement, and thereafter all rights and remedies of the Trustee shall continue as though no such proceeding had been instituted.

Application of Moneys Collected

Any money collected by the Trustee pursuant to the Loan Agreement (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such money) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied as provided in the Indenture and, in case of the distribution of such money on account of principal or redemption price of or interest on the Series 2026 Bonds, shall be credited against amounts due on the Loan.

Supplemental Loan Agreements without Consent of Registered Owners

Without the written consent of the registered owners of any Bonds, the Issuer and the Borrower may from time to time enter into one or more Supplemental Loan Agreements, for any of the following purposes:

(a) to correct or amplify the description of any property of the Borrower at any time subject to the Loan Agreement, or to subject to the Loan Agreement additional property or to more precisely identify any project financed or refinanced out of the proceeds of any Bonds, or to substitute or add additional property thereto;

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of the Loan, as set forth in the Loan Agreement, additional conditions, limitations and restrictions thereafter to be observed;

(c) to authorize the issuance of any Additional Notes and make such other provisions as provided in the Loan Agreement;

(d) to modify or eliminate any of the terms of the Loan Agreement; provided, however, that (1) such Supplemental Loan Agreement shall expressly provide that any such modifications or eliminations shall become effective only when there are no Bonds Outstanding of any series created prior to the execution of such Supplemental Loan Agreement, and (2) the Trustee may, in its discretion, decline to approve any such Supplemental Loan Agreement which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative;

(e) to evidence the succession of another corporation to the Borrower and the assumption by any such successor of the covenants of the Borrower contained in the Loan Agreement;

(f) to add to the covenants of the Borrower or to the rights, powers and remedies of the Trustee for the benefit of the registered owners of all Bonds or to surrender any right or power conferred upon the Borrower in the Loan Agreement; or

(g) to cure any ambiguity, to correct or supplement any provision in the Loan Agreement which may be inconsistent with any other provision in the Loan Agreement or to make any other changes with respect to matters or questions arising under the Loan Agreement, provided such action shall not materially adversely affect the interests of the registered owners of the Series 2026 Bonds.

Supplemental Loan Agreements with Consent of Registered Owners

With the written consent of the registered owners of not less than a majority in principal amount of the Series 2026 Bonds then Outstanding affected by such Supplemental Loan Agreement, the Issuer and the Borrower may enter into Supplemental Loan Agreements, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Loan Agreement or of modifying in any manner the rights of the Trustee and the registered owners of the Series 2026 Bonds under the Loan Agreement; provided, however, that no such Supplemental Loan Agreement shall, without the written consent of the owner of each Outstanding Bond affected thereby, carry out any of the following:

(a) change the stated maturity of the principal of, or any installment of interest on, the Loan, or reduce the principal amount thereof or the interest thereon or the redemption price payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, the Loan, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose registered owners is required for any such Supplemental Loan Agreement, or the consent of whose registered owners is required for any waiver provided for in the Loan Agreement of compliance with certain provisions of the Loan Agreement or certain defaults thereunder and their consequences; or

(c) modify any of the provisions of the Loan Agreement, except to increase any percentage provided thereby or to provide that certain other provisions of the Loan Agreement cannot be modified or waived without the consent of the registered owner of each Bond affected thereby.

It shall not be necessary for the required percentage of registered owners of Bonds under the Loan Agreement to approve the particular form of any proposed Supplemental Loan Agreement, but it shall be sufficient if such act shall approve the substance thereof.

SUMMARY OF THE GUARANTY AGREEMENT

The following is a summary of certain provisions contained in the Guaranty Agreement and is qualified in its entirety by reference to the Guaranty Agreement.

Guaranty

The Guarantor unconditionally guarantee to the Trustee, for the benefit of the Trustee and the registered owners from time to time of the Series 2026 Bonds, the following:

- (a) The full and prompt payment of the principal or redemption price of each of the Series 2026 Bonds when and as the same become due in accordance with the terms and provisions of each such Series 2026 Bond and the Indenture;
- (b) The full and prompt payment of the interest on each of the Series 2026 Bonds when and as the same become due in accordance with the terms and provisions of each such Series 2026 Bond and the Indenture;
- (c) The full and prompt payment of the costs and expenses of the proceedings resulting in the collection of moneys pursuant to the Indenture, including without limitation proceedings relating to the enforcement of any provision of the Guaranty Agreement and the reasonable fees, expenses, disbursements and advances of the Trustee, its agents and counsel; and
- (d) The reimbursement to each registered owner of the Series 2026 Bonds of any payment of principal of or interest on the Series 2026 Bonds or part thereof previously made to such registered owner of the Series 2026 Bonds which such registered owner of the Series 2026 Bonds is required to disgorge or otherwise repay by reason of an Act of Bankruptcy of the Borrower or the Guarantor.

“Act of Bankruptcy” means, as to the Borrower or of the Guarantor, any of the following:

- (1) the commencement by the Borrower or the Guarantor of a voluntary case under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws;
- (2) the filing of a petition with a court having jurisdiction over the Borrower or the Guarantor to commence an involuntary case against the Borrower or the Guarantor under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws;
- (3) the Borrower or the Guarantor shall admit in writing its inability to pay its debts generally as they become due;
- (4) a receiver, trustee or liquidator of the Borrower or the Guarantor shall be appointed in any proceeding brought against the Borrower or the Guarantor;
- (5) assignment by the Borrower or the Guarantor for the benefit of its creditors; or
- (6) the entry by the Borrower or the Guarantor into an agreement of composition with its creditors.

If by the close of business of the Trustee on the 10th day preceding any date (a “**Payment Date**”) on which the principal or redemption price of or interest on the Series 2026 Bonds is due and payable, money then to the credit of the Debt Service Fund under the Indenture are not sufficient to pay the principal or redemption price of and interest due on the Series 2026 Bonds on such Payment Date, then the Trustee shall promptly, but in no event later than 2:00 p.m., central time, on the 5th Business Day preceding such Payment Date, make demand on the Guarantor in writing by facsimile transmission or other means of delivery (receipt confirmed by telephone) to the addresses set forth in the Guaranty Agreement, for an amount equal to such deficiency in the Debt Service Fund, which demand shall include appropriate payment instructions and be conclusive evidence of such deficiency. The Guarantor shall pay to the Trustee in immediately available funds the amount of such demand no later than 11:00 a.m., central time, on the 3rd Business Day preceding such Payment Date; provided, however, the failure to timely make such payment by the Guarantor shall not constitute an event of default under the Guaranty Agreement. If the Trustee has not received the amount demanded by the time and date specified above, then the Trustee shall provide additional notice to the Guarantor in writing by facsimile transmission or other means of delivery (receipt confirmed by telephone) to the addresses set forth in the Guaranty Agreement of the amount of any remaining deficiency in the Debt Service Fund no later than 2:00 p.m., central time, on the 2nd Business Day preceding such Payment Date.

If the Trustee receives actual notice that a registered owner of the Series 2026 Bonds has disgorged or otherwise repaid a payment of principal of or interest on the Series 2026 Bonds because of an Act of Bankruptcy of the Borrower or the Guarantor, then the Trustee shall promptly, but in no event later than 2:00 p.m. on the 3rd Business Day following receipt of such notice, make demand on the Guarantor in writing by facsimile transmission or other means of delivery (receipt confirmed by telephone) to the addresses set forth in the Guaranty Agreement, for an amount equal to the amounts disgorged or repaid by a registered owner of the Series 2026 Bonds, which demand shall be conclusive evidence of such obligation and shall state the date and time when payment will be made to registered owners of the Series 2026 Bonds (a “**Special Payment Date**”) which date shall be 10 Business Days after the Trustee received notice from a registered owner of the Series 2026 Bonds of the amounts repaid representing principal of or interest on the Series 2026 Bonds. The Guarantor shall pay to the Trustee in immediately available funds the amount of such demand no later than 11:00 a.m., central time, on the 3rd Business Day preceding such Special Payment Date; provided, however, the failure to timely make such payment by the Guarantor shall not constitute an event of default under the Guaranty Agreement. If the Trustee has not received the amount demanded by the time and date specified above, then the Trustee shall provide additional notice to the Guarantor in writing by facsimile transmission or other means of delivery (receipt confirmed by telephone) to the addresses set forth in the Guaranty Agreement of the amount of any remaining payments for the amounts disgorged or repaid by a registered owner of the Series 2026 Bonds no later than 2:00 p.m., central time, on the 2nd Business Day preceding such Special Payment Date.

Neither any demand made by the Trustee nor any failure of the Trustee to make any demand, whether by the dates and times above or otherwise, shall discharge the Guarantor from any liability under the Guaranty Agreement or shall prevent the Trustee from making additional demands, either with respect to the principal of or interest on the Series 2026 Bonds coming due on the Payment Date related to such demand or with respect to any other payment of principal of or interest on the Series 2026 Bonds.

Each and every default in the payment of the principal or redemption price of or interest on any Series 2026 Bond or any other amounts payable under the Guaranty Agreement shall give rise to a separate cause of action under the Guaranty Agreement, and separate suits may be brought thereunder, in accordance with the Guaranty Agreement, as each cause of action arises.

Indebtedness

The Guarantor represents, warrants, covenants and agrees that for so long as any Series 2026 Bonds are outstanding under the Indenture, it and the Borrower will maintain consolidated Unrestricted Net Assets in an amount not less than two times the aggregate amount of Indebtedness of the Guarantor and the Borrower as determined on January 1 and July 1 of each year.

The Guarantor represents, warrants, covenants and agrees that it shall, (a) prior to the incurrence of any Indebtedness, deliver to the Trustee an Officer's Certificate that identifies the Indebtedness incurred, demonstrates compliance with the provisions and the other requirements of the Guaranty Agreement and attaches a copy of the instrument evidencing such Indebtedness and (b), if such Indebtedness is to be issued on a parity with the Series 2026 Bonds, it shall unconditionally guaranty the payment of the principal or redemption price and interest on such Indebtedness.

For the avoidance of doubt, if the Borrower and the Guarantor shall be in compliance with the provisions of the Loan Agreement and the Indenture, including the ability to incur Indebtedness in the amount of at least \$1, the Borrower may incur Indebtedness not to exceed \$15 million per occurrence. If permitted to be incurred, such Indebtedness shall not be required to be guaranteed by the Guarantor nor shall the second paragraph under the Permitted Indebtedness section herein apply. In addition, the incurrence of such Indebtedness shall not be subject to the limitations contained in the Loan Agreement.

Maintenance of Unrestricted Net Assets

During the term of the Loan Agreement, the Guarantor covenants and agrees that it will, and will cause the Borrower to, maintain consolidated Unrestricted Net Assets in an amount not less than two times the aggregate amount of Indebtedness of the Borrower and the Guarantor, as determined on January 1 and July 1 of each year.

Consolidation, Merger, Conveyance or Transfer of Property

The Guarantor shall not consolidate with or merge into any other entity or convey or transfer its property substantially as an entirety to any entity, unless the following conditions are met:

(a) such merger, consolidation, conveyance or transfer is on such terms as shall fully preserve the lien and security of the Indenture and the Guaranty Agreement and the rights and powers of the Trustee and the registered owners of the Series 2026 Bonds under the Indenture and the Guaranty Agreement;

(b) the entity formed by such consolidation or into which the Guarantor is merged or the entity which acquires by conveyance or transfer the Guarantor's property substantially as an entirety is a corporation or other legal entity organized and existing under the laws of the United States of America or any state thereof, is qualified to do business in the State of Nebraska, and shall execute and deliver to the Trustee a written instrument in form satisfactory to the Trustee, containing an assumption by such successor of the due and punctual payment of the obligations under the Guaranty Agreement and the performance and observance of every covenant and condition of the Guaranty Agreement to be performed or observed by the Guarantor;

(c) the Trustee receives a written certificate of such Guarantor stating that, immediately after giving effect to such transaction, (1) no event of default under the Guaranty Agreement shall have occurred and be continuing, and (2) the successor or transferee shall possess such licenses and permits to operate such property as may be required if it is to operate such property; and

(d) the Trustee receives an Opinion of Counsel, which may be the Guarantor's internal counsel, to the effect that (1) such consolidation, merger, conveyance or transfer complies with the Guaranty Agreement and all conditions precedent in the Guaranty Agreement provided for relating to such transaction have been complied with, and (2) the surviving entity is liable under the Guaranty Agreement as if the Guaranty Agreement were originally made by such entity.

Upon any consolidation or merger or any conveyance or transfer of the Guarantor's property substantially as an entirety in accordance with the Guaranty Agreement, the successor corporation or other entity formed by such consolidation or into which the Guarantor is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and shall have every obligation and may exercise every right and power of, the Guarantor under the Guaranty Agreement with the same effect as if such successor corporation or other entity had been named as the Guarantor in the Guaranty Agreement.

Events of Default

The term "**event of default**", wherever used in the Guaranty Agreement, means any one of the following events (whatever the reason for such event and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any amount under the Guaranty Agreement by the Guarantor when such amount becomes due and payable under the Guaranty Agreement after there has been given to the Guarantor by the Trustee a written notice specifying the amount due; or

(b) default in the performance, or breach, of any covenant or agreement of the Guarantor in the Guaranty Agreement (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in the Guaranty Agreement), and continuance of such default or breach for a period of 60 days after there has been given to the Guarantor by the Trustee a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Guarantor shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by the Guarantor in the Guaranty Agreement or in any written statement or certificate furnished to the Trustee or the original purchaser of any Series 2026 Bond in connection with the sale of any Series 2026 Bond or furnished by the Guarantor pursuant to the Guaranty Agreement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 90 days after there has been given to such Guarantor by the Trustee or to such Guarantor and the Trustee by the registered owners of at least 25% in principal amount of the Series 2026 Bonds outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 90-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Guarantor shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Guarantor, or adjudging the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Guarantor under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Guarantor or any

substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Guarantor of a voluntary case, or the Borrower by the Guarantor of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the Borrower of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of either Guarantor or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by either Guarantor in furtherance of any such action.

Promptly after any officer of the Guarantor obtains knowledge of a default under the Guaranty Agreement, the Guarantor will deliver to the Trustee a written notice specifying the nature and period of existence thereof and the action the Guarantor is taking and proposes to take with respect thereto.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any event of default under the Guaranty Agreement, unless the same is waived by the Trustee, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Guaranty Agreement or by law:

(a) ***Right to Bring Suit, Etc.*** The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the amounts outstanding under the Guaranty Agreement, including interest on overdue amounts under the Guaranty Agreement, and any other sums due under the Guaranty Agreement, to enforce and compel the performance of the duties and obligations of the Guarantor as set forth in the Guaranty Agreement and to enforce or preserve any other rights or interests of the Trustee under the Guaranty Agreement otherwise existing at law or in equity.

(b) ***Exercise of Remedies at Direction of Registered Owners.*** If requested in writing to do so by the registered owners of not less than 25% in principal amount of Series 2026 Bonds outstanding under the Indenture and if indemnified as provided in the Guaranty Agreement and the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Guaranty Agreement as the Trustee shall deem most expedient in the interests of the registered owners of the Series 2026 Bonds.

(c) ***Restoration of Positions.*** If the Trustee or any registered owner of the Series 2026 Bonds has instituted any proceeding to enforce any right or remedy under the Guaranty Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such registered owner of the Series 2026 Bonds, then and in every case the Guarantors, the Trustee and the registered owner of the Series 2026 Bonds shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Guaranty Agreement, and thereafter all rights and remedies of the Trustee and the registered owner of the Series 2026 Bonds shall continue as though no such proceeding had been instituted.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of _____, 2026 (this *“Continuing Disclosure Agreement”*), is executed and delivered by **Father Flanagan’s Boys’ Home**, a nonprofit corporation, (the *“Corporation”*) **Father Flanagan’s Fund for Needy Children**, a nonprofit corporation, (the *“Guarantor”*) and **BOKF, National Association**, as dissemination agent (the *“Dissemination Agent”*).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the **Village of Boys Town, Nebraska**, (the *“Village”*) of \$_____ **Revenue Bonds (Boys Town Projects), Series 2026** (the *“Bonds”*), pursuant to a Bond Trust Indenture dated as of _____, 2026 (the *“Bond Indenture”*), between the Village and **BOKF, National Association**, as bond trustee (the *“Bond Trustee”*). The proceeds of the Bonds are being loaned by the Village to the Corporation pursuant to a Loan Agreement dated as of _____, 2026, between the Village and the Corporation (the *“Loan Agreement”*), and the Guarantor has guaranteed repayment of the Corporation’s obligations under the Loan Agreement pursuant to a Guaranty Agreement dated as of _____, 2026, between the Bond Trustee and the Guarantor (the *“Guaranty Agreement”*).

2. The Corporation, the Guarantor and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the *“Rule”*). The Corporation and the Guarantor are the only *“obligated persons”* (as defined by the Rule) with responsibility for continuing disclosure, and the Village has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to the Rule.

In consideration of the mutual covenants and agreements herein, the Corporation and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions.

In addition to the definitions set forth in the Bond Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report filed by the Corporation pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“Village” means the **Village of Boys Town, Nebraska**, and its successors and assigns or any body, agency or instrumentality of the State of Nebraska succeeding to or charged with the powers, duties and functions of the Village.

“Beneficial Owner” means any Registered Owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Bond Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Corporation” means **Father Flanagan’s Boys’ Home**, a nonprofit corporation, and its successors and assigns.

“Dissemination Agent” means **BOKF, National Association**, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Corporation.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on **January 1** and ending on **December 31** or any other 12-month period selected by the Corporation as the Fiscal Year of the Corporation for financial reporting purposes.

“Guarantor” means **Father Flanagan’s Fund for Needy Children**, a nonprofit corporation, and its successors and assigns.

“Material Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semi-Annual Report” means any Semi-Annual Report filed by the Corporation pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

Section 2. *Provision of Annual and Semi-Annual Reports.*

- (a) The Corporation shall, or shall cause the Dissemination Agent to, not later than **180** days after the end of the Corporation's Fiscal Year, commencing with the year ending December 31, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the "*Annual Report*"):
 - (1) The consolidated audited financial statements of the Corporation, including the Guarantor, for the prior Fiscal Year prepared in accordance with accounting principles generally accepted in the United States. If consolidated audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited consolidated financial information in a format similar to the Summary Financial Information contained in Appendix A to the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Corporation or Guarantor is an "*obligated person*" (as defined by the Rule), which have been filed with the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Corporation or Guarantor shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Corporation and Guarantor may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Corporation's or Guarantor's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3(d)**.

- (b) The Corporation shall, or shall cause the Dissemination Agent to, not later than **August 15 of any year** (or a date that is 45 days after the midpoint of the Fiscal Year of the Corporation, commencing with the six-month period ending June 30, 2026), file with the MSRB, through EMMA, the following financial information and operating data (the "*Semi-Annual Report*"):

Calculation demonstrating compliance with Section 5.18 of the Loan Agreement as of the end of the midpoint of the Fiscal Year (commencing with the six-month period ending June 30, 2026).

- (c) Not later than the date specified in subsection (a) or (b) for providing the Annual Report or the Semi-Annual Report to the MSRB, the Corporation or Guarantor shall either (1) provide the Annual Report or Semi-Annual Report to the Dissemination Agent, with written instructions to file the Semi-Annual Report or Annual Report as specified in subsection (a) or subsection (b), or (2) provide written notice to the Dissemination Agent that the Corporation or Guarantor has filed or caused to be filed the Annual Report with the MSRB.
- (d) If the Dissemination Agent has not received either an Annual Report or Semi-Annual Report with filing instructions or a written notice from the Corporation or Guarantor that it has filed or caused to be filed an Annual Report with the MSRB by the date required in subsection (a) or (b), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit B**.
- (e) The Dissemination Agent shall, (1) notify the Corporation each year, not later than **30** days prior to the date for providing the Annual Report to the MSRB, of the date on which its Annual Report must be provided to the Dissemination Agent or the MSRB, and (2) unless the Corporation or Guarantor has filed or caused to be filed the Annual Report with the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (a) above, file the Annual Report with the MSRB and file a report with the Corporation, the Guarantor, the Village and (if the Dissemination Agent is not the Bond Trustee) the Bond Trustee certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement, stating the date it was filed.
- (f) In addition to the foregoing requirements of this Section, the Corporation agrees to provide copies of the most recent Annual Report or Semi-Annual Report to any requesting bondowner or prospective bondowner, but only after the same has been filed with the MSRB on EMMA.
- (g) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events.

- (a) No later than **10** business days after the occurrence of any of the following events, the Corporation shall give, or cause to be given, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds (“*Material Events*”):
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;

- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the chief financial officer of the Corporation or his or her designee or such other person as the Corporation shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Corporation promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Corporation determines that the event does not constitute a Material Event, the Corporation shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).

(c) Whenever the Corporation obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Corporation shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the Corporation to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, with a copy to the Corporation.

Section 4. Termination of Reporting Obligation.

The Corporation's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Corporation's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Corporation, and the Corporation shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Corporation shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3(d)**.

Section 5. Dissemination Agent.

The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Corporation. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Corporation pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is BOKF, National Association.

Section 6. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the Corporation and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Corporation and the Dissemination Agent with its written opinion that the undertaking of the Corporation contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

If a provision of this Continuing Disclosure Agreement is amended or waived, the Corporation shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Corporation. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3(d)**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information.

Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Corporation chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Corporation shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report, as the case may be, or notice of occurrence of a Material Event.

Section 8. Default.

If there is a failure of the Corporation or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Bond Trustee may (and, at the request of any Participating Underwriter or the Registered Owners of at least **25%** aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific

performance by court order, to cause the Corporation or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Bond Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement if there is any failure of the Corporation or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Corporation agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Corporation under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Corporation shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 10. Notices.

Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by facsimile or by e-mail, receipt confirmed by telephone, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Corporation: **Father Flanagan's Boys' Home**
c/o Chief Financial Officer
14100 Crawford Street
Boys Town, NE 68010
Telephone: (531) 355-3131

To the Guarantor: **Father Flanagan's Fund for Needy Children**
c/o Chief Financial Officer
14100 Crawford Street
Boys Town, NE 68010
Telephone: (531) 355-3131

To the Dissemination Agent: **BOKF, National Association**
c/o Corporate Trust Department
1248 "O" St., Suite 764
Lincoln, NE 68508
Telephone: (402) 458-1310

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries.

This Continuing Disclosure Agreement shall inure solely to the benefit of the Village, the Corporation, the Bond Trustee, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Severability.

If any provision in this Continuing Disclosure Agreement, the Bond Indenture, the Loan Agreement or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts.

This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions.

The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Governing Law.

This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

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EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the following described sections and tables contained in **Appendix A** of the final Official Statement:

1. Fundraising Activities (fiscal year-end information only)
2. Summary Financial Information (fiscal year-end information only)
3. Investments and Investment Policy (as of fiscal year-end only)
4. Calculation demonstrating compliance with Section 5.18 of the Loan Agreement as of the end of the fiscal year.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Village of Boys Town, Nebraska,

Name of Bond Issue: \$ _____ Revenue Bonds (Boys Town Projects), Series 2026

Name of Obligated Person: Father Flanagan's Boys' Home

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that Father Flanagan's Boys' Home has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of _____, 2026, between Father Flanagan's Boys' Home and BOKF, National Association, as Dissemination Agent. [The Obligated Person has informed the Dissemination Agent that the Obligated Person anticipates that the Annual Report will be filed by _____.]

Dated: _____, _____.

BOKF, National Association, as Dissemination Agent
on behalf of **Father Flanagan's Boys' Home**

cc: Father Flanagan's Boys' Home

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond certificate will be issued for each separate maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participant’s accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed

amendments to the documents relating to the Series 2026 Bonds. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer (or the Trustee) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

The information under this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

APPENDIX F

FORM OF BOND COUNSEL OPINION

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APPENDIX F
FORM OF BOND COUNSEL OPINION

[Closing Date]

Village of Boys Town, Nebraska
Boys Town, Nebraska

BOKF, National Association
Lincoln, Nebraska

Father Flanagan's Boys' Home
Boys Town, Nebraska

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Re: \$ _____ Village of Boys Town, Nebraska, Revenue Bonds (Boys Town Projects), Series 2026

To the Addressees:

We have served as bond counsel to Village of Boys Town, Nebraska (the “*Issuer*”) in connection with the issuance by the Issuer of the above-captioned bonds (the “*Bonds*”), pursuant to Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended, and a Trust Indenture dated as of _____, 2026 (the “*Bond Indenture*”), between the Issuer and BOKF, National Association, as bond trustee (the “*Bond Trustee*”). The Issuer and Father Flanagan’s Boys’ Home (the “*Borrower*”) have entered into a Loan Agreement (the “*Loan Agreement*”) dated as of _____, 2026 pursuant to which the Issuer is loaning the proceeds of the Bonds to the Borrower. Under the Bond Indenture, the Issuer has assigned its rights in and to the Loan Agreement (except certain rights to indemnification, reimbursements, notices and administrative fees) as security for the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Indenture.

We have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to our opinion, we have relied upon representations of the Issuer and the Borrower contained in the Bond Indenture, the Loan Agreement and other Financing Documents and on the certified proceedings and other certifications of the Issuer, the Borrower, and others furnished to us, without undertaking to verify them by independent investigation.

We have also relied upon the legal opinions in the opinion letter of the Executive Vice President and General Counsel, counsel to the Borrower, regarding certain matters, including, (a) the corporate status and due organization of the Borrower, (b) the status of the Borrower as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Code*”), (c) the good standing and qualification to do business of the Borrower, (d) the corporate power of the Borrower to enter into and perform its obligations under the Loan Agreement, and the Tax Compliance Agreement, and (e) the due authorization, execution and delivery of the Loan Agreement and the Tax Compliance Agreement by the Borrower, and the binding effect and enforceability thereof against the Borrower. We assume the accuracy of the opinions in that opinion letter and express no opinion with respect to those issues.

We have also relied upon the legal opinions in the opinion letter of the Executive Vice President and General Counsel, counsel to the Guarantor, regarding certain matters, including, (a) the corporate status and due organization of the Guarantor, (b) the status of the Guarantor as an organization described in the Code, and (c) the good standing

and qualification to do business of the Guarantor. We assume the accuracy of the opinions in that opinion letter and express no opinion with respect to those issues.

Based on the foregoing, we are of the opinion that:

1. The Issuer is a village and political subdivision duly organized and validly existing under the laws of the State of Nebraska (the "State") with lawful power and authority to issue the Bonds and to enter into and perform its obligations under the Indenture, the Loan Agreement and the Tax Compliance Agreement.

2. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer payable solely from the loan payments made by the Borrower under the Loan Agreement and from certain other funds held by the Bond Trustee and pledged under the Bond Indenture.

3. The Bonds do not constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and do not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

4. The Bond Indenture, the Loan Agreement and the Tax Compliance Agreement have been duly authorized, executed and delivered by the Issuer and are valid and legally binding agreements of the Issuer, enforceable against the Issuer.

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Nebraska, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Nebraska income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, (b) the attachment, perfection or priority of the lien on the Trust Estate pledged under the Bond Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Indenture, the Loan Agreement, and the Tax Compliance Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,



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