

The 50 Mile March Foundation Inc.

**Financial Statements and
Independent Auditors' and Accountants' Report**

December 31, 2024



The 50 Mile March Foundation Inc.

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INDEPENDENT AUDITORS' AND ACCOUNTANTS' REPORT

Board of Directors
The 50 Mile March Foundation Inc.
Papillion, Nebraska

Opinion

We have audited the accompanying statement of financial position – modified cash basis of The 50 Mile March Foundation Inc. (the Organization) as of December 31, 2024 and the related notes to the statement of financial position – modified cash basis.

In our opinion, the statement of financial position - modified cash basis presents fairly, in all material respects, the financial position of the Organization as of December 31, 2024 in accordance with the modified cash basis of accounting described in Note 1.

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 Statement of Financial Position – Modified Cash Basis 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statement of Financial Position – Modified Cash Basis

Management is responsible for the preparation and fair presentation of the statement of financial position – modified cash basis in accordance with the modified cash basis of accounting; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial position – modified cash basis that is free from material misstatement whether due to fraud or error.

In preparing the statement of financial position – modified cash basis, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the statement of financial position – modified cash basis is issued or available to be issued.

Auditors' Responsibilities for the Audit of the Statement of Financial Position – Modified Cash Basis

Our objectives are to obtain reasonable assurance about whether the statement of financial position – modified cash basis is 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 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 statement of financial position – modified cash basis, 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 statement of financial position – modified cash basis.
- 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 statement of financial position – modified cash basis.
- 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.

Independent Accountants' Report on the Compilation of the Statements of Activities and Changes in Net Assets – Modified Cash Basis and Functional Expenses – Modified Cash Basis

Management is responsible for the statements of activities and changes in net assets – modified cash basis and functional expenses – modified cash basis for the year ended December 31, 2024, and the related notes to these financial statements (the compiled statements) in accordance with the modified cash basis of accounting as described in Note 1 to the financial statements. We have performed a compilation engagement on these accompanying compiled statements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review these compiled statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion nor provide any form of assurance on these compiled statements.

Lutz & Company, P.C.

August 11, 2025

The 50 Mile March Foundation Inc.

Statement of Financial Position – Modified Cash Basis

December 31, 2024 (Audited)

ASSETS

Cash	\$ 300,276
Property and Equipment, Net	1,690,000
TOTAL ASSETS	\$ 1,990,276

LIABILITIES

Mortgage Payable	\$ 1,261,684
Total Liabilities	1,261,684

NET ASSETS

Without Donor Restrictions	728,592
With Donor Restrictions	-
Total Net Assets	728,592
TOTAL LIABILITIES AND NET ASSETS	\$ 1,990,276

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

The 50 Mile March Foundation Inc.

Statement of Activities and Changes in Net Assets – Modified Cash Basis

Year Ended December 31, 2024 (Compiled)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions	\$ 753,174	\$ -	\$ 753,174
Other Income	130	-	130
Interest Income	55	-	55
Total Revenues and Support	753,359	-	753,359
EXPENSES			
Program Services	19,243	-	19,243
Management and General	5,524	-	5,524
Fundraising	-	-	-
Total Expenses	24,767	-	24,767
Change in Net Assets	728,592	-	728,592
Net Assets, Beginning of Year	-	-	-
NET ASSETS, END OF YEAR	\$ 728,592	\$ -	\$ 728,592

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

The 50 Mile March Foundation Inc.

Statement of Functional Expenses – Modified Cash Basis

Year Ended December 31, 2024 (Compiled)

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Insurance	\$ 19,243	\$ 4,811	\$ -	\$ 24,054
Office Expenses	-	700	-	700
Taxes and Licenses	-	13	-	13
TOTAL FUNCTIONAL EXPENSES	\$ 19,243	\$ 5,524	\$ -	\$ 24,767

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

The 50 Mile March Foundation Inc.

Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

Nature of Organization

The 50 Mile March Foundation Inc. (the Organization) was formed in 2021 and was created to empower veterans facing mental health challenges and homelessness by fostering a community of hope and relentless support. The Organization holds an annual 50-mile march from Lincoln to Omaha with funds raised to support a veteran services grant program and the Community of Hope campus project. The Organization purchased a property in December 2024 with the goal to construct a 25,000+ square foot community center and housing community for veterans facing mental health challenges and homelessness.

The Organization was under a fiscal sponsorship arrangement with Papillion Community Foundation until December 2024 (see Note 5).

Basis of Accounting

The accompanying financial statements have been prepared on a modified cash basis of accounting, which is a basis other than the accounting principles generally accepted in the United States of America (GAAP). The modified cash basis differs from GAAP in that revenue is recognized when received instead of when the unconditional promise to give is provided or services are performed, and payments to vendors are recognized when paid instead of when goods or services are provided.

The cash method has been modified to recognize:

- Capitalization and depreciation of long-lived assets
- Mortgage payable

Accordingly, the financial statements are not intended to present the financial position and changes in net assets in conformity with GAAP.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or by board designation.

The 50 Mile March Foundation Inc.

Notes to Financial Statements

December 31, 2024

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or by the passage of time. Net assets restricted by the actions of the Organization and/or the passage of time are temporary in nature. Other donor-imposed stipulations are perpetual in nature and require that principal be maintained in perpetuity by the Organization. There were no net assets with donor restrictions perpetual in nature as of December 31, 2024.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions, in which case the revenues are reported as increases in net assets with donor restrictions. If the donor restriction is satisfied in the same fiscal year in which the revenue is recognized, the revenue is reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Revenues and expenses are recognized when received and paid, respectively. Expirations of net assets with donor restrictions that are temporary in nature (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Concentration of Credit Risk

The Organization's financial instruments consisting of cash potentially expose the Organization to concentrations of credit risk. The Organization maintains bank accounts in which the balances sometimes exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. At December 31, 2024, there were cash balances in excess of FDIC limits at the bank of approximately \$50,000.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

The 50 Mile March Foundation Inc.

Notes to Financial Statements

December 31, 2024

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets when events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The Organization does not believe any impairment existed as of December 31, 2024.

Deferred Financing Costs

Deferred financing costs consist of professional fees and lender expenses incurred through the acquisition of a loan. The Organization classifies deferred financing costs against the related loan and amortizes these deferred costs to interest expense over the life of the respective loan. At December 31, 2024, the net carrying value of the Organization's deferred financing costs totaled \$5,816 (see Note 4).

Revenue Recognition

In accordance with the modified cash basis of accounting, revenue is recognized when cash is received.

Functional Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and changes in net assets – modified cash basis. Costs are allocated to each functional expense category based on the specific departments benefitted by the expense. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance which is allocated on the basis of square footage. Other expenses are directly assigned to a functional classification.

Income Taxes

The Organization is exempt from federal income taxes as a non-profit organization under Section 501(c)(3) under the Internal Revenue Code. The Organization is not considered a private foundation.

The 50 Mile March Foundation Inc.

Notes to Financial Statements

December 31, 2024

The Organization follows the provisions of FASB Codification Topic 740-10 related to uncertain income tax positions. ASC 74-10 provides specific guidance on how to address uncertainty in accounting for income taxes and liabilities, prescribing recognition thresholds and measurement attributes. At December 31, 2024, the Organization had no uncertain tax positions.

The Organization is no longer subject to income tax examinations by federal, state, or local tax authorities for years before December 31, 2021.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position – modified cash basis date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through August 11, 2025. In April 2025, the Organization entered into two lease agreements for the rental of the buildings. Future rental income is approximately \$27,000, \$25,000, and \$5,000, for the years ended December 31, 2025, 2026, and 2027, respectively.

2. Liquidity and Cash Management

The Organization's financial assets available for general use within one year of December 31, 2024 include cash accounts of \$300,276. The Organization manages its liquid resources by structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

3. Property and Equipment, Net

Property and equipment held by the Organization at December 31, 2024, consists of the following:

Land	\$ 272,475
Buildings	<u>1,417,525</u>
Total Cost	<u>\$ 1,690,000</u>

The Organization purchased the land and buildings on December 16, 2024, thus no depreciation expense was recorded for the year ended December 31, 2024.

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Notes to Financial Statements

December 31, 2024

4. Mortgage Payable

Mortgage payable at December 31, 2024, consists of the following:

Installment note payable to a bank, payable in monthly installments of \$11,216, including interest at 6.75% through December 15, 2029, at which time all unpaid principal and interest are due, collateralized by a Deed of Trust on certain land and buildings.	<u>\$ 1,267,500</u>
Less Amounts Representing Deferred Financing Costs	<u>5,816</u>
Mortgage Payable	<u><u>\$ 1,261,684</u></u>

The aggregate maturities of the mortgage payable, not including deferred financing costs, for the years ending after December 31, 2024, are as follows:

<u>Year Ending December 31,</u>	
2025	\$ 50,617
2026	54,142
2027	57,911
2028	61,728
2029	<u>1,043,102</u>
	<u><u>\$ 1,267,500</u></u>

5. Fiscal Sponsorship

During the year ended December 31, 2024, the Organization operated under a fiscal sponsorship agreement with the Papillion Community Foundation (Fiscal Sponsor). In December 2024, the Organization transitioned to independent operations and \$745,174 was transferred to the Organization in the form of a grant from the Fiscal Sponsor, which represents 99% of contribution revenue received during 2024. These funds represented contributions received and held by the Fiscal Sponsor prior to the transition. The Fiscal Sponsor and the Organization are independent organizations as of December 2024 and do not share governance, management, or control.

Lutz