



ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED MAY 31, 2019
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2018)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Assistance League® Omaha, Nebraska, Inc.
Omaha, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the Assistance League® Omaha, Nebraska, Inc. (the League), a non-profit organization, which comprise the statement of financial position as of May 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the League as of May 31, 2019, and the changes in its net assets and its cash flows for the year than ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of Assistance League® Omaha, Nebraska, Inc. for the year ended May 31, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BLAND + ASSOCIATES, P.C.

Omaha, Nebraska
October 2, 2019

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
STATEMENTS OF FINANCIAL POSITION
(WITH COMPARATIVE FINANCIAL INFORMATION FOR 2018)

ASSETS	May 31,	
	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,066,065	\$ 640,951
Unconditional Promises to Give	-	93,400
Investments	145,642	142,877
Other Investments	203,344	200,702
Prepaid Expenses	33,000	34,453
Inventory	66,195	72,481
Total Current Assets	<u>1,514,246</u>	<u>1,184,864</u>
PROPERTY AND EQUIPMENT, NET	52,408	60,959
OTHER ASSETS		
Escrow Deposit	15,000	-
Permanently Restricted Investments	50,327	50,327
Total Other Assets	<u>65,327</u>	<u>50,327</u>
	<u>\$ 1,631,981</u>	<u>\$ 1,296,150</u>
LIABILITIES AND NET ASSETS	May 31,	
	2019	2018
CURRENT LIABILITIES		
Accounts Payable	\$ 2,658	\$ 226
Accrued Expenses	10,670	-
Total Current Liabilities	<u>13,328</u>	<u>226</u>
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Without Donor Restrictions		
Undesignated	703,431	581,437
Designated by Board of Directors for Future Operating Needs	591,140	552,505
Total Without Donor Restrictions	<u>1,294,571</u>	<u>1,133,942</u>
With Donor Restrictions		
Perpetual in Nature	50,327	50,327
Purpose Restrictions	273,755	111,655
Total With Donor Restrictions	<u>324,082</u>	<u>161,982</u>
Total Net Assets	<u>1,618,653</u>	<u>1,295,924</u>
	<u>\$ 1,631,981</u>	<u>\$ 1,296,150</u>

The accompanying notes to financial statements
are an integral part of these statements

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	Years Ended May 31,			
	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUES AND SUPPORT				
Fundraising				
Thrift Shop Revenue				
Contributions of Merchandise	\$ 112,408	\$ -	\$ 112,408	\$ 135,683
Sales of Donated Merchandise	117,182	-	117,182	129,454
Less: Value of Merchandise Sold	<u>(117,182)</u>	<u>-</u>	<u>(117,182)</u>	<u>(129,454)</u>
Net Revenue from Thrift Shop	112,408	-	112,408	135,683
Special Events Revenue	165,759	-	165,759	138,059
Less: Cost of Direct Benefit to Attendees	<u>(14,989)</u>	<u>-</u>	<u>(14,989)</u>	<u>(14,082)</u>
Net Revenue from Special Events	150,770	-	150,770	123,977
Other Revenues and Support				
Contributions and Grants	302,162	255,500	557,662	359,644
Membership	28,572	-	28,572	27,730
Investment Return	2,765	-	2,765	17,931
Program Service Revenue	2,945	-	2,945	3,680
Other Revenue (Expense)	<u>3,731</u>	<u>-</u>	<u>3,731</u>	<u>(2,049)</u>
Total Other Revenues and Support	340,175	255,500	595,675	406,936
Net Assets Released from Restriction				
Satisfaction of Program Restrictions	<u>93,400</u>	<u>(93,400)</u>	<u>-</u>	<u>-</u>
Total Net Assets Released from Restriction	93,400	(93,400)	-	-
Total Operating Revenues and Support	696,753	162,100	858,853	666,596
OPERATING EXPENSES				
Program Services	410,594	-	410,594	359,412
Supportive Services	<u>125,530</u>	<u>-</u>	<u>125,530</u>	<u>128,312</u>
Total Operating Expenses	536,124	-	536,124	487,724
CHANGES IN NET ASSETS	160,629	162,100	322,729	178,872
NET ASSETS - BEGINNING OF YEAR	<u>1,133,942</u>	<u>161,982</u>	<u>1,295,924</u>	<u>1,117,052</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,294,571</u></u>	<u><u>\$ 324,082</u></u>	<u><u>\$ 1,618,653</u></u>	<u><u>\$ 1,295,924</u></u>

The accompanying notes to financial statements
are an integral part of these statements

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Year Ended May 31, 2019
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	Program Services					Supporting Services					Totals	
	Operation School Bell	ACT PSAT Course Review	Assault Survivor Kits	Other Programs	Total Program Services	Management and General	Membership Development	Fundraising Thrift Store	Fundraising Other Events	Total Supporting Services	2019	2018
Program Supplies	\$ 340,230	\$ 581	\$ 11,964	\$ 14,297	\$ 367,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,072	\$ 314,873
Cost/Value of Merchandise Sold	-	-	-	-	-	-	-	117,182	28,272	145,454	145,454	159,541
Professional Services	3,645	1,877	9,843	1,094	16,459	3,646	-	18,227	-	21,873	38,332	37,553
Fundraising Supplies	-	-	-	-	-	-	-	-	27,033	27,033	27,033	26,916
Repairs and Maintenance	1,394	-	3,764	419	5,577	1,395	-	6,972	-	8,367	13,944	10,385
National Dues	-	-	-	-	-	-	12,800	-	-	12,800	12,800	13,207
Utilities	1,272	-	3,434	382	5,088	1,272	-	6,358	-	7,630	12,718	12,682
Depreciation	668	-	-	2,116	2,784	1,114	-	7,238	-	8,352	11,136	10,859
Insurance	901	-	2,433	270	3,604	901	-	4,507	-	5,408	9,012	10,583
Office Supplies	801	-	2,163	240	3,204	801	-	4,005	-	4,806	8,010	5,826
Miscellaneous	788	-	2,128	236	3,152	788	-	3,941	-	4,729	7,881	4,984
Public Relations	428	-	1,157	129	1,714	428	-	2,142	-	2,570	4,284	4,913
Meetings	-	-	-	-	-	-	3,651	-	-	3,651	3,651	3,695
National Convention	314	-	847	94	1,255	314	-	1,569	-	1,883	3,138	10,239
Postage and Printing	-	-	-	-	-	-	-	-	2,061	2,061	2,061	3,031
Equipment Rental	122	-	328	36	486	122	-	608	-	730	1,216	1,648
Education	50	-	134	15	199	50	55	249	-	354	553	325
Total Expenses	350,613	2,458	38,195	19,328	410,594	10,831	16,506	172,998	57,366	257,701	668,295	631,260
Less Expenses Included Within Revenue on Statement of Activities	-	-	-	-	-	-	-	(117,182)	(14,989)	(132,171)	(132,171)	(143,536)
TOTAL FUNCTIONAL EXPENSES	\$ 350,613	\$ 2,458	\$ 38,195	\$ 19,328	\$ 410,594	\$ 10,831	\$ 16,506	\$ 55,816	\$ 42,377	\$ 125,530	\$ 536,124	\$ 487,724

The accompanying notes to financial statements
are an integral part of these statements

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
STATEMENTS OF CASH FLOWS
(WITH COMPARATIVE FINANCIAL INFORMATION FOR 2018)

	Years Ended May 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 322,729	\$ 178,872
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	11,136	10,859
Realized Gain on Investments	-	(640)
Unrealized Loss (Gain) on Investments	10,090	(6,032)
Receipt of Donated Stock	-	(76,123)
Proceeds from Sale of Donated Stock	-	76,763
(Increase) Decrease in Current Assets:		
Unconditional Promises to Give	93,400	(93,400)
Prepaid Expenses	1,453	7,392
Inventory	6,286	(5,600)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	2,432	(4,377)
Accrued Expenses	10,670	-
Net Cash Provided By Operating Activities	458,196	87,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments and Reinvestment of Interest	(15,497)	(11,260)
Payment of Escrow Deposit	(15,000)	-
Purchase of Property and Equipment	(2,585)	-
Net Cash Used In Investing Activities	(33,082)	(11,260)
Net Increase in Cash and Cash Equivalents	425,114	76,454
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	640,951	564,497
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,066,065	\$ 640,951

The accompanying notes to financial statements
are an integral part of these statements

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Assistance League ® Omaha, Nebraska, Inc. (the League) is presented to assist in understanding the League's financial statements. The financial statements and notes are representations of the League's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Reporting Entity

The League is a non-profit corporation and is a chartered chapter of the National Assistance League. The League provides the following programs.

- Operation School Bell provides new clothing for school, that might include a winter coat, shoes and/or boots to students in the Greater Omaha area in kindergarten through the eighth grade;
- ACT/PSAT review classes;
- Assault Survivor Kits program provides clothing and hygiene assistance to assault victims;
- Operation Literacy provides new and gently used books to children and adults to promote literacy;
- Operation Bear Hug provides new teddy bears to comfort children in a crisis situation;
- Operation Recovery provides household items, refreshments for holiday parties, hygiene products, and vouchers for clothing from the League's thrift shop suitable for job interviews and their self-worth, bus passes for job interviews, and life skills for the women recovering from drug and/or alcohol dependency; and
- Operation Teen Parent offers incentive to encourage young parents to complete their high school education and to seek continuing education, for their literacy and for their children by giving them books.

The League's support and revenues come primarily from contributions and other fundraising efforts including special events and operation of a thrift shop.

Basis of Presentation

The League maintains its accounts on the accrual basis of accounting.

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

Net assets without donor restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board had designated from net assets without restrictions, board designated funds for future operating needs.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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

Measure of Operations

In the statements of activities and changes in net assets, the League includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income, including net realized and unrealized gains and losses, are recognized as operating support, revenues, gains, and losses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make a number of estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the League considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash or cash equivalents for purposes of the statements of cash flows.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management reports promises to give net of allowance for uncollectible promises on its financial statements. The League considers promises to give to be nearly 100% collectible; therefore, no allowance for uncollectible amounts has been established.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Any unrealized gains and losses are reported in the statement of activities and changes in net assets as a change in net assets without donor restrictions.

Investments consist of certificates of deposit and mutual funds. Certificates of deposit, with maturities greater than three months, are recorded at cost plus accrued interest, which approximates fair value and are included as Other Investments on the statements of financial position. The mutual funds are recorded as Investments in the statements of financial position. Donated investments are reflected as contributions as their estimated fair value at the date of the donation.

Prepaid Expenses

Prepaid expenses consist of books and gift cards to be used to buy clothing and shoes for the Operation School Bell program, and Assault Survivor Kits program. Prepaid expenses also include payment on certain contracts, agreements, and policies. The prepaid expenses are amortized to the appropriate expenditure account as utilized.

Inventories

The League maintains an inventory of used clothing and household items donated by chapter members and others used for resale by the thrift shop operated by the chapter. The League also has print for sale by League members. All inventory is stated at estimated fair value.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs of less than \$1,000 are charged to expense as incurred.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposals. Gains and losses from property disposals are recognized in the year of disposal.

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

	<u>Years</u>
Buildings and Improvements	30
Building Refurbishment	15
Office, Furniture, and Equipment	7-10

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the League reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The League reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenues and Reclassifications

All support and revenues are considered unrestricted unless stipulated by the grantor. Contributions are recognized when the donor makes a promise to give to the League that is, in substance, unconditional. Contributions received with donor restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increase net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

In-Kind Contributions and Donated Services

Contributions of gifts in-kind that can be used by the League are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions and Donated Services (Continued)

A substantial number of volunteers have made significant contributions of their time to the League's program and supporting services, which do not meet the criteria above. During the years ended May 31, 2019 and 2018, these volunteers donated approximately 36,033 and 33,318 hours with an estimated value of \$928,931 and \$831,284, respectively. This value was computed using an estimated hourly rate of \$25.78 and \$24.95, based upon the average hourly earnings of workers of \$23.02 and \$22.28, respectively, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs allocated among program and supporting services are based on management's estimate of services benefited.

Program Services

Program services include Operation School Bell, ACT/PSAT Course Review, Assault Survivor Kits, Operation Teen Parent, Operation Bear Hug, Operation Literacy and Operation Recovery.

Advertising

The League uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$4,406 and \$4,913 for the years ended May 31, 2019 and 2018, respectively.

Income Taxes

The League has received exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. As an entity exempt from Federal income taxes under Section 501(c)(3) in the State of Nebraska, the League is also exempt from State income taxes. As such, no provision for income taxes is reflected in the financial statements.

Guidance prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The League files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions.

As of May 31, 2019, the League has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and there are no material amounts of unrecognized tax benefits. Tax years subsequent to 2015 remain subject to examination by major tax jurisdictions.

Subsequent Events

On July 19, 2019, the League purchased a new property in Omaha, Nebraska for its operations. The purchase price for the property was \$1,250,000. The purchase price was partially financed by a \$600,000 mortgage which was obtained on the same day as the purchase. The remaining purchase price was financed by contributions from donors which were made for the express purpose of purchasing the new building.

Management has evaluated subsequent events through October 2, 2019 which is the date the financial statements were available to be issued.

Change in Accounting Principle

The League adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve financial reporting relating to liquidity, financial performance and cash flows. Specifically, the changes affect net asset classification by reflecting two classifications of net assets, one “without donor restrictions” and one “with donor restrictions”, which differs from the traditional classifications of unrestricted, temporarily restricted and permanently restricted. In addition, the ASU provides for two measures of operating activities in the statement of activities, separating before and after internal transfers as well as presenting expense information by function, and nature, including enhanced disclosures. Also, investment returns must be reflected net of related investment expenses. The cash flow statement is also restructured using the direct method and there are further disclosures regarding the League’s liquidity. As a result of the retroactive application of the standard, the statements of financial position and statements of activities have been revised to reflect the new guidance.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle (Continued)

The changes have the following effect on net assets at May 31, 2018:

	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 1,133,942	\$ -
Temporarily restricted net assets	111,655	-
Permanently restricted net assets	50,327	-
Net assets without donor restrictions	-	1,133,942
Net assets with donor restrictions	-	161,982

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the League's financial statements for the year ended May 31, 2018, from which the summarized information was derived.

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The carrying value of cash, cash equivalents, and investments at May 31, 2019 consist of the following:

Cash and Cash Equivalents

American National Bank – Checking Account	\$ 223,130
Bank of the West – Money Market	35,970
Bank of the West – Money Market	164,885
Great Western Bank – Checking Account	263,290
First National Bank – Checking Account	190,169
Pinnacle Bank – Checking Account	185,421
Petty Cash	3,200
Total Cash and Cash Equivalents	<u>\$ 1,066,065</u>

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investments

DA Davidson – Money Market Mutual Funds	\$ 26,244
DA Davidson – Mutual Funds	119,398
First State Bank – Certificates of Deposit	203,344
Total Investments	\$ 348,986
DA Davidson – Mutual Fund Permanently Restricted Endowment	\$ 50,327

The carrying value of cash, cash equivalents, and investments at May 31, 2018 consist of the following:

Cash and Cash Equivalents

American National Bank – Checking Account	\$ 223,889
Bank of the West – Money Market	30,944
Bank of the West – Money Market	110,623
Great Western Bank – Checking Account	272,395
Petty Cash	3,100
Total Cash and Cash Equivalents	\$ 640,951

Investments

DA Davidson – Money Market Mutual Funds	\$ 25,929
DA Davidson – Mutual Funds	116,948
First State Bank – Certificates of Deposit	200,702
Total Investments	\$ 343,579
DA Davidson – Mutual Fund Permanently Restricted Endowment	\$ 50,327

The following schedule summarizes the investment return and its classification in the statements of activities and changes in net assets for the years ended May 31,:

	2019	2018
Interest and Dividend Income	\$ 12,855	\$ 11,259
Unrealized (Loss) Gain on Investments	(10,090)	6,032
Realized Gain (Loss) on Sale of Investments	-	640
	\$ 2,765	\$ 17,931

NOTE C – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the League to credit risk consist of cash, cash equivalents and investments. Cash and cash equivalents are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE C – CONCENTRATION OF CREDIT RISK (Continued)

At May 31, 2019 and 2018, respectively, the League had \$13,290 and \$22,395 of uninsured balances at these institutions. The League has not experienced any losses on its cash or cash equivalents. The League's investments do not represent significant concentrations of market risk as the League's investment portfolio is adequately diversified among issuers.

The League holds investments in mutual and money market funds at DA Davidson with a fair value of \$195,969 and \$193,204, representing 13.37% and 18.70%, of total cash, cash equivalents, and investments at May 31, 2019 and 2018, respectively. These funds are covered by Securities Investor Protection Corporation (SIPC) if a loss occurs due to a fraud committed by the financial institution. These funds are not covered for any loss due to market fluctuations.

NOTE D – LIQUIDITY AND AVAILABILITY

As part of the League's liquidity management, the League has a board designated operating reserve that could be used to help manage unanticipated liquidity needs. The League also has access to credit cards which can be used to meet short term liquidity needs. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet, comprise the following:

Cash and Cash Equivalents	\$ 1,066,065
Investments	348,986
Less those unavailable for general expenditure within one year, due to donor-imposed restrictions:	
Cash and Cash Equivalents restricted by donor with purpose restrictions	<u>(273,755)</u>
	<u>\$ 1,141,296</u>

NOTE E – UNCONDITIONAL PROMISES TO GIVE

The League had unconditional promises to give from a private foundation due within one year of \$0 and \$93,400 as of May 31, 2019 and 2018, respectively.

NOTE F – FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE F – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the League has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2019 and 2018.

Mutual Funds - Valued at the closing net asset value (NAV) of shares held at May 31. Net asset values are publicly available daily to set the price for purchases and redemptions.

Certificates of Deposit - Classified as a Level 2 investment as they are valued based on original cost plus accrued interest, which approximates fair value.

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

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE F – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the League's assets at fair value as of May 31, 2019 and 2018.

	Assets at Fair Value as of May 31, 2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Mutual Funds	\$ 26,244	\$ -	\$ -	\$ 26,244
Mutual Funds	119,398	-	-	119,398
Mutual Fund held for Endowment	50,327	-	-	50,327
Certificates of Deposit	-	203,344	-	203,344
Total Assets at Fair Value	<u>\$ 195,969</u>	<u>\$ 203,344</u>	<u>\$ -</u>	<u>\$ 399,313</u>

	Assets at Fair Value as of May 31, 2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Mutual Funds	\$ 25,929	\$ -	\$ -	\$ 25,929
Mutual Funds	116,948	-	-	116,948
Mutual Fund held for Endowment	50,327	-	-	50,327
Certificates of Deposit	-	200,702	-	200,702
Total Assets at Fair Value	<u>\$ 193,204</u>	<u>\$ 200,702</u>	<u>\$ -</u>	<u>\$ 393,906</u>

There were no transfers in and out of Levels 1, 2 and 3 in fiscal years 2019 and 2018.

NOTE G – INVENTORIES

Inventories consisted of the following at May 31,:

	<u>2019</u>	<u>2018</u>
Used clothing and household items held for sale at the thrift store	\$ 57,760	\$ 62,534
Other Inventory	8,435	9,947
Total Inventory	<u>\$ 66,195</u>	<u>\$ 72,481</u>

NOTE H – ENDOWMENTS

The Board of Directors of the League has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE H – ENDOWMENTS (Continued)

As a result of this interpretation, the League classifies as net assets with donor restrictions (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the League, and (7) the League's investment policies. The League maintains an endowment as a result of original restricted gifts from multiple donors to support the mission of the League. The donor-imposed restrictions stipulate that resources be maintained permanently, but permits the League to use up or expand part or all of the income (or economic benefits) derived from the donated assets for the purposes of the League's objectives. The Board of Directors has determined that this endowment fund with net assets at May 31, 2019 and 2018, of \$50,327 has been properly classified as donor restricted.

It is the Board's investment policy that all donor restricted endowment funds be invested in a mutual fund. The total value of mutual fund investments at May 31, 2019 and 2018 was \$195,969 and \$193,204, respectively; of which \$50,327 was donor restricted for the long-term purposes of the endowment. In accordance with definitions and provisions of the donor restriction, investment income is considered unrestricted and is appropriated for spending to support the League's purpose. As discussed above, the investment income earned on the endowment fund investments is not donor restricted and appears in the without donor restrictions column of the statement of activities combined with investment income from other investments.

	With Donor Restrictions 2019	With Donor Restrictions 2018
Endowment Net Assets, beginning of year	\$ 50,327	\$ 50,327
Contributions	-	-
Endowment Net Assets, end of year	\$ 50,327	\$ 50,327

Return Objectives and Risk Parameters

The League has investment 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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
(With Summarized Comparative Information For 2018)

NOTE H – ENDOWMENTS (Continued)

Strategies Employed for Achieving Objectives

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

NOTE I – PROPERTY AND EQUIPMENT

Property and Equipment consist of the following at May 31:

	2019	2018
Buildings and Improvements	\$ 220,208	\$ 220,208
Building Refurbishment	51,183	51,183
Office, Furniture, and Equipment	20,295	17,710
	<u>291,686</u>	<u>289,101</u>
Less Accumulated Depreciation	(239,278)	(228,142)
Total Property and Equipment	<u>\$ 52,408</u>	<u>\$ 60,959</u>

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were restricted by donors as follows as of May 31,:

	2019	2018
Net Assets With Donor Restrictions		
Perpetual Endowment	\$ 50,327	\$ 50,327
Operation School Bell	-	93,400
Building Fund	273,755	18,255
Total Net Assets With Donor Restrictions	<u>\$ 324,082</u>	<u>\$ 161,982</u>

NOTE K – SPECIAL EVENTS

The League has various special events to help fund current operations. The revenue and related expenses from the year ended May 31, 2019, are as follows:

	Revenue	Costs of Direct Benefits to Attendees	Net Special Event Revenue	Other Event Costs	Net Revenue
Christmas Caravan	\$ 152,649	\$ (14,989)	\$ 137,660	\$ (33,608)	\$ 104,052
Community Partners	2,347	-	2,347	-	2,347
Style Show	10,763	-	10,763	(8,801)	1,962
Other special events	-	-	-	(273)	(273)
	<u>\$ 165,759</u>	<u>\$ (14,989)</u>	<u>\$ 150,770</u>	<u>\$ (42,682)</u>	<u>\$ 108,088</u>

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2019
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NOTE K – SPECIAL EVENTS (Continued)

The revenue and related expenses from the year ended May 31, 2018, are as follows:

	Revenue	Costs of Direct Benefits to Attendees	Net Special Event Revenue	Other Event Costs	Net Revenue
Christmas Caravan	\$ 127,110	\$ (14,082)	\$ 113,028	\$ (35,708)	\$ 77,320
Younkers Community Day	513	-	513	-	513
Style Show	10,436	-	10,436	(8,627)	1,809
Other special events	-	-	-	(255)	(255)
	<u>\$ 138,059</u>	<u>\$ (14,082)</u>	<u>\$ 123,977</u>	<u>\$ (44,590)</u>	<u>\$ 79,387</u>

NOTE L – TRANSACTIONS WITH NATIONAL ASSISTANCE LEAGUE

The League remits annual membership dues to National Assistance League. Membership dues paid to National Assistance League for the years ended May 31, 2019 and 2018 amounted to \$12,800 and \$13,207, respectively.

NOTE M – RECLASSIFICATIONS

Certain reclassifications were made to the 2018 financial statements to conform to the 2019 presentation.