



ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED MAY 31, 2018
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2017)

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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, 2018, 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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of Assistance League® Omaha, Nebraska, Inc. for the year ended May 31, 2017, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bland + Associates, P.C.

Omaha, Nebraska
September 26, 2018

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
STATEMENTS OF FINANCIAL POSITION
(WITH COMPARATIVE FINANCIAL INFORMATION FOR 2017)

ASSETS	May 31,	
	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 640,951	\$ 564,497
Unconditional Promises to Give	93,400	-
Investments	142,877	127,326
Other Investments	200,702	198,961
Prepaid Expenses	34,453	41,845
Inventory	72,481	66,881
Total Current Assets	1,184,864	999,510
PROPERTY AND EQUIPMENT		
Buildings and Improvements	220,208	220,208
Building Refurbishment	51,183	51,183
Office, Furniture, and Equipment	17,710	20,575
	289,101	291,966
Less Accumulated Depreciation	(228,142)	(220,148)
Total Property and Equipment	60,959	71,818
OTHER ASSETS		
Permanently Restricted Investments	50,327	50,327
Total Other Assets	50,327	50,327
	\$ 1,296,150	\$ 1,121,655
LIABILITIES AND NET ASSETS		
May 31,		
	2018	2017
CURRENT LIABILITIES		
Accounts Payable	\$ 226	\$ 4,603
COMMITMENTS AND CONTINGENCIES		
	-	-
NET ASSETS		
Unrestricted	1,133,942	1,048,470
Temporarily Restricted	111,655	18,255
Permanently Restricted	50,327	50,327
Total Net Assets	1,295,924	1,117,052
	\$ 1,296,150	\$ 1,121,655

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 2017)

	Years Ended May 31,				2017
	2018			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		
OPERATING REVENUES AND SUPPORT					
Fundraising					
Thrift Shop Revenue					
Contributions of Merchandise	\$ 129,454	\$ -	\$ -	\$ 129,454	\$ 124,098
Sales of Donated Merchandise	129,454	-	-	129,454	124,098
Less: Value of Merchandise Sold	(129,454)	-	-	(129,454)	(124,098)
Net Revenue from Thrift Shop	129,454	-	-	129,454	124,098
Special Events Revenue	138,059	-	-	138,059	143,802
Less: Cost of Direct Benefit to Attendees	(14,082)	-	-	(14,082)	(11,750)
Net Revenue from Special Events	123,977	-	-	123,977	132,052
Contributions and Grants	272,473	93,400	-	365,873	267,294
Membership	27,730	-	-	27,730	28,999
Investment Return	17,931	-	-	17,931	18,394
Program Service Revenue	3,680	-	-	3,680	3,125
Other (Expense) Revenue	(2,049)	-	-	(2,049)	175
Total Operating Revenues and Support	573,196	93,400	-	666,596	574,137
OPERATING EXPENSES					
Program Services					
Operation School Bell	298,296	-	-	298,296	321,076
Assault Survivor Kits	36,161	-	-	36,161	38,946
Other Programs	21,769	-	-	21,769	16,285
ACT/PSAT review course	3,186	-	-	3,186	2,168
Total Program Services	359,412	-	-	359,412	378,475
Supportive Services					
Membership Development	16,935	-	-	16,935	16,172
Management and General	10,859	-	-	10,859	10,787
Fundraising					
Thrift Store	55,928	-	-	55,928	55,566
Other Special Events	44,590	-	-	44,590	38,639
Total Supporting Services	128,312	-	-	128,312	121,164
Total Operating Expenses	487,724	-	-	487,724	499,639
CHANGES IN NET ASSETS	85,472	93,400	-	178,872	74,498
NET ASSETS - BEGINNING OF YEAR	1,048,470	18,255	50,327	1,117,052	1,042,554
NET ASSETS - END OF YEAR	<u>\$ 1,133,942</u>	<u>\$ 111,655</u>	<u>\$ 50,327</u>	<u>\$ 1,295,924</u>	<u>\$ 1,117,052</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, 2018
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017)

	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 Thrifty Store	Fundraising Other Events	Total Supporting Services	2018	2017
Program Supplies	\$ 287,871	\$ 456	\$ 9,772	\$ 16,774	\$ 314,873	\$ -	\$ -	\$ -	\$ 26,916	\$ 26,916	\$ 341,789	\$ 355,088
Cost/Value of Merchandise Sold	-	-	-	-	-	-	-	129,454	30,087	159,541	159,541	149,456
Professional Services	3,482	2,730	9,402	1,045	16,659	3,482	-	17,412	-	20,894	37,553	28,720
National Dues	-	-	-	-	-	-	13,207	-	-	13,207	13,207	13,200
Utilities	1,268	-	3,425	380	5,073	1,268	-	6,341	-	7,609	12,682	12,296
Depreciation	652	-	-	2,063	2,715	1,086	-	7,058	-	8,144	10,859	10,860
Insurance	1,058	-	2,857	317	4,232	1,058	-	5,293	-	6,351	10,583	12,601
Repairs and Maintenance	1,039	-	2,803	312	4,154	1,039	-	5,192	-	6,231	10,385	14,467
National Convention	1,024	-	2,765	307	4,096	1,024	-	5,119	-	6,143	10,239	7,529
Office Supplies	583	-	1,572	175	2,330	583	-	2,913	-	3,496	5,826	6,518
Miscellaneous	498	-	1,346	150	1,994	498	-	2,492	-	2,990	4,984	8,585
Public Relations	491	-	1,327	147	1,965	491	-	2,457	-	2,948	4,913	4,348
Meetings	-	-	-	-	-	-	3,695	-	-	3,695	3,695	2,862
Postage and Printing	136	-	368	41	545	136	-	681	1,669	2,486	3,031	5,809
Equipment Rental	165	-	445	49	659	165	-	824	-	989	1,648	2,045
Education	29	-	79	9	117	29	33	146	-	208	325	1,103
Total Expenses	298,296	3,186	36,161	21,769	359,412	10,859	16,935	185,382	58,672	271,848	631,260	635,487
Less Expenses Included Within Revenue on Statement of Activities	-	-	-	-	-	-	-	(129,454)	(14,082)	(143,536)	(143,536)	(135,848)
TOTAL FUNCTIONAL EXPENSES	\$ 298,296	\$ 3,186	\$ 36,161	\$ 21,769	\$ 359,412	\$ 10,859	\$ 16,935	\$ 55,928	\$ 44,590	\$ 128,312	\$ 487,724	\$ 499,639

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 2017)

	Years Ended May 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 178,872	\$ 74,498
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	10,859	10,860
Realized (Gain) Loss on Investments	(640)	536
Unrealized Gain on Investments	(6,032)	(15,687)
Receipt of Donated Stock	(76,123)	(50,668)
Proceeds from Sale of Donated Stock	76,763	50,132
(Increase) Decrease in Current Assets:		
Unconditional Promises to Give	(93,400)	-
Prepaid Expenses	7,392	43,226
Inventory	(5,600)	(26,208)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(4,377)	(289)
Accrued Expenses	-	(670)
Deferred Revenue	-	(95)
Net Cash Provided By Operating Activities	87,714	85,635
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments and Reinvestment of Interest	(139,678)	(965)
Maturities of Certificates of Deposit	128,418	50,000
Net Cash (Used In) Provided By Investing Activities	(11,260)	49,035
Net Increase in Cash and Cash Equivalents	76,454	134,670
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	564,497	429,827
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 640,951	\$ 564,497

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, 2018
(With Summarized Comparative Information For 2017)

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 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 is required to provide financial statements which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

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:

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Unrestricted net assets – Net assets which are not subject to any donor-imposed stipulations. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the League and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the League. Generally, the donors of these assets permit the League to use all or part of the income earned on these assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor-stipulation or by law. Expiration of temporary restrictions on net assets, i.e. the donor-stipulated purposes have been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 unrestricted net assets.

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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 temporarily restricted support. 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 temporarily restricted net assets to unrestricted net assets 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 temporary restrictions that are met in the same reporting period are reported as unrestricted revenue and increase unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the 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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions and Donated Services (Contributed)

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.

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, 2018 and 2017, these volunteers donated approximately 33,318 and 33,555 hours with an estimated value of \$831,278 and \$839,949, respectively. This value was computed using an estimated hourly rate of \$24.95 and \$25.03, based upon the average hourly earnings of workers of \$22.28 and \$22.35, 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.

Program Services

Program services include Operation School Bell, ACT/PSAT Course Review, Assault Survivor Kits, Operation Teen Parent, Operation Bear Hug, 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 \$4,913 and \$4,348 for the years ended May 31, 2018 and 2017, respectively.

Income Taxes

The League has received exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. 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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The League files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions.

As of May 31, 2018, 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 2014 remain subject to examination by major tax jurisdictions.

Subsequent Events

Management has evaluated subsequent events through September 26, 2018 which is the date the financial statements were available to be issued.

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, 2017, from which the summarized information was derived.

NOTE B – 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. At May 31, 2018 and 2017, respectively, the League had \$22,395 and \$0 of uninsured balances at these institutions. Subsequent to year end, the League requested funds in excess of FDIC limits be transferred to different accounts to ensure all cash and cash equivalents were fully insured. 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 funds and money at DA Davidson with a fair value of \$193,204 and \$177,653, representing 18.70% and 18.88%, of total cash, cash equivalents, and investments at May 31, 2018 and 2017, respectively.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE B – CONCENTRATION OF CREDIT RISK (Continued)

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 C – CASH, CASH EQUIVALENTS, AND INVESTMENTS

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	<u>\$ 640,951</u>
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	<u>\$ 343,579</u>
DA Davidson – Mutual Fund Permanently Restricted Endowment	<u>\$ 50,327</u>

The carrying value of cash, cash equivalents, and investments at May 31, 2017 consist of the following:

Cash and Cash Equivalents	
American National Bank – Checking Account	\$ 200,581
Bank of the West – Money Market	30,913
Bank of the West – Money Market	105,488
Great Western Bank – Checking Account	227,140
Petty Cash	375
Total Cash and Cash Equivalents	<u>\$ 564,497</u>
Investments	
DA Davidson – Money Market Mutual Funds	\$ 25,850
DA Davidson – Mutual Funds	101,476
First State Bank – Certificates of Deposit	198,961
Total Investments	<u>\$ 326,287</u>
DA Davidson – Mutual Fund Permanently Restricted Endowment	<u>\$ 50,327</u>

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

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

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,:

	2018	2017
Interest and Dividend Income	\$ 11,259	\$ 3,243
Unrealized Gain on Investments	6,032	15,687
Realized Gain (Loss) on Sale of Investments	640	(536)
	\$ 17,931	\$ 18,394

NOTE D – UNCONDITIONAL PROMISES TO GIVE

The League had unconditional promises to give from a private foundation due within one year of \$93,400 and \$0 as of May 31, 2018 and 2017, respectively.

NOTE E – 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.

- 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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
(With Summarized Comparative Information For 2017)

NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

- 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, 2018 and 2017.

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.

The following table sets forth by level, within the fair value hierarchy, the League's assets at fair value as of May 31, 2018 and 2017.

	Assets at Fair Value as of May 31, 2018			
	Level 1	Level 2	Level 3	Total
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>

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended May 31, 2018
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NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	Assets at Fair Value as of May 31, 2017			
	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Mutual Funds	\$ 25,850	\$ -	\$ -	\$ 25,850
Mutual Funds	101,476	-	-	101,476
Mutual Fund held for Endowment	50,327	-	-	50,327
Certificates of Deposit	-	198,961	-	198,961
Total Assets at Fair Value	\$ 177,653	\$ 198,961	\$ -	\$ 376,614

There were no transfers in and out of Levels 1, 2 and 3 in years 2018 and 2017.

NOTE F – INVENTORIES

Inventories consisted of the following at May 31,:

	2018	2017
Used clothing and household items held for sale at the thrift store	\$ 62,534	\$ 56,305
Print held for distributions	-	2,635
Other Inventory	9,947	7,941
Total Inventory	\$ 72,481	\$ 66,881

NOTE G – ENDOWMENTS

The Board of Directors of the League has interpreted the Uniform Prudent Management of Institutional Funds Acts (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. As a result of this interpretation, the League classifies as permanently restricted net assets (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 that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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.

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
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NOTE G – ENDOWMENTS (Continued)

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, 2018 and 2017, of \$50,327 has been properly classified as permanently restricted.

It is the Board's investment policy that all permanently restricted endowment funds be invested in a mutual fund. The total value of mutual fund investments at May 31, 2018 and 2017 was \$193,204 and \$177,653, respectively; of which \$50,327 was 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.

The permanently restricted column of the statements of activities reflects the changes in the endowment fund for the years ended May 31, 2018 and 2017. As discussed above, the investment income earned on the endowment fund investments is unrestricted and appears in the unrestricted column of the statement of activities combined with investment income from other investments.

	<u>2018</u>	<u>2017</u>
Endowment Net Assets, beginning of year	\$ 50,327	\$ 50,327
Contributions	-	-
Endowment Net Assets, end of year	<u>\$ 50,327</u>	<u>\$ 50,327</u>

NOTE H – NET ASSETS

Net assets were restricted by donors or designated by the League as follows as of May 31,:

	<u>2018</u>	<u>2017</u>
Unrestricted Net Assets		
Designated by Board for future operating needs	\$ 552,505	\$ 502,470
Undesignated	581,437	546,000
Total Unrestricted Net Assets	<u>\$ 1,133,942</u>	<u>\$ 1,048,470</u>

ASSISTANCE LEAGUE® OMAHA, NEBRASKA, INC.
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NOTE H – NET ASSETS (Continued)

Temporarily Restricted Net Assets	<u>2018</u>	<u>2017</u>
Operation School Bell	\$ 93,400	\$ -
Building fund	18,255	18,255
Total Temporarily Restricted Net Assets	<u>\$ 111,655</u>	<u>\$ 18,255</u>
Permanently Restricted Net Assets		
Endowment	<u>\$ 50,327</u>	<u>\$ 50,327</u>

NOTE I – SPECIAL EVENTS

The League has various special events to help fund current operations. The revenue and related expenses from the year ended May 31, 2018, are as follows:

	<u>Revenue</u>	<u>Costs of Direct Benefits to Attendees</u>	<u>Net Special Event Revenue</u>	<u>Other Event Costs</u>	<u>Net Revenue</u>
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>

The revenue and related expenses from the year ended May 31, 2017, are as follows:

	<u>Revenue</u>	<u>Costs of Direct Benefits to Attendees</u>	<u>Net Special Event Revenue</u>	<u>Other Event Costs</u>	<u>Net Revenue</u>
Christmas Caravan	\$ 130,848	\$ (11,750)	\$ 119,098	\$ (31,687)	\$ 87,411
Younkers Community Day	1,765	-	1,765	-	1,765
Style Show	9,630	-	9,630	(6,478)	3,152
Other special events	1,559	-	1,559	(474)	1,085
	<u>\$ 143,802</u>	<u>\$ (11,750)</u>	<u>\$ 132,052</u>	<u>\$ (38,639)</u>	<u>\$ 93,413</u>

NOTE J – 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, 2018 and 2017 amounted to \$13,207 and \$13,200, respectively.

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NOTE K – RECLASSIFICATIONS

Certain reclassifications were made to the 2017 financial statements to conform to the 2018 presentation.