Omaha 100, Incorporated
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
For the year ended December 31, 2012

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HAYES & ASSOCIATES, L.L.C.
Certified Public Accountants | Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Omaha 100, Incorporated

We have audited the accompanying financial statements of Omaha 100, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Omaha 100, Incorporated as of December 31, 2012, 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.

Other Matters

The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated April 30, 2012; we expressed an unqualified opinion on those financial statements.

Hayes & Associates LLC.

HAYES & ASSOCIATES, L.L.C.
Omaha, Nebraska
April 19. 2013

Omaha 100, Incorporated
STATEMENT OF FINANCIAL POSITION
December 31, 2012
(With comparative totals for 2011)

	Totals 2012	Totals 2011
ASSETS		
CURRENT ASSETS		
Cash	$ 67,296	$ 295,090
Accounts receivable	44,422	58,748
Unconditional promises to give	10,000	10,000
Receivable from participants	194,012	481,578
Total current assets	315,730	845,416
PROPERTY AND EQUIPMENT		
Equipment	27,624	22,147
Less accumulated depreciation	(22,147)	(22,147)
Total property and equipment	5,477	-
OTHER ASSETS		
Reserved cash - loan loss reserve	62,225	121,604
Near equity funds	58,910	-
Lozier developer subsidies	51,536	-
Home equity contracts	10,000	10,000
Foreclosed properties - held for sale	629,692	651,397
Foreclosed properties - rentals	293,034	-
Less accumulated depreciation foreclosed properties -rental	(4,597)	-
Project loans receivable	15,882,191	15,141,758
Rehabilitation loans receivable	65,895	75,395
Total other assets	17,048,886	16,000,154
Total assets	$ 17,370,093	$ 16,845,570
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 29,676	$ 68,667
Deferred revenue and amounts held for others	51,536	46,036
Security Deposit	2,600	-
ANB line of credit (FHLB advance)	32,222	56,600
Line of credit	194,012	481,578
Total current liabilities	310,046	652,881
OTHER LIABILITIES		
Near equity loan	125,000	250,000
Participant payables	16,662,908	15,682,429
Total other liabilities	16,787,908	15,932,429
Total liabilities	17,097,954	16,585,310
NET ASSETS		
Unrestricted	165,392	128,656
Unrestricted - Board designated	62,225	121,604
Temporarily restricted	44,522	10,000
Total net assets	272,139	260,260
Total liabilities and net assets	$ 17,370,093	$ 16,845,570

See accompanying notes and independent auditor's report.

Omaha 100, Incorporated
STATEMENT OF ACTIVITIES
For the year ended December 31, 2012
(With comparative totals for 2011)

	Totals 2012	Totals 2011
UNRESTRICTED NET ASSETS		
REVENUES AND RECLASSIFICATIONS		
Contributions	$ 78,478	$ 70,658
Interest income	3,441	4,425
Loan fees	140,058	125,191
Loan fees - City of Omaha	26,953	29,798
Credit report fees	4,276	3,863
Origination fees	27,571	35,239
Sale of homes	38,000	209,900
Rental income	28,191	-
Other revenue	424	8,200
Net assets released from restrictions	40,000	40,000
Total revenues and reclassifications	387,392	527,274
EXPENSES AND LOSS		
Program services	355,696	480,314
Management and general	39,292	38,531
Loss on property valuation	15,047	-
Total expenses and loss	410,035	518,845
CHANGE IN UNRESTRICTED NET ASSETS	(22,643)	8,429
TEMPORARILY RESTRICTED NET ASSETS		
REVENUES AND RECLASSIFICATIONS		
Contributions	34,522	-
Grant contributions	40,000	40,000
Net assets released from restrictions	(40,000)	(40,000)
Total revenues and reclassifications	34,522	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	34,522	-
CHANGE IN NET ASSETS	11,879	8,429
NET ASSETS, BEGINNING OF YEAR	260,260	251,831
NET ASSETS, END OF YEAR	$ 272,139	$ 260,260

See accompanying notes and independent auditor's report.

Omaha 100, Incorporated
STATEMENT OF CASH FLOWS
For the year ended December 31, 2012
(With comparative totals for 2011)

	Totals	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 11,879	$ 8,429
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,597	597
Transfers from/to loan loss reserve	59,379	16,662
Transfers from/to near equity fund	(58,910)	-
Transfers from/to Lozier developer subsidy	(51,536)	-
Change in accounts receivable	14,326	8,590
Change in other receivable from participants	287,566	(356,928)
Change in home equity contracts	-	325
Change in foreclosed properties - held for sale	21,705	(94,565)
Change ini forclosed properties - rental	(293,034)	-
Change in project loans receivable	(740,433)	(508,066)
Change in rehabilitation loans receivable	9,500	(5,578)
Change in accounts payable	(38,991)	20,563
Change in deferred revenue	5,500	27,655
Change in security deposit	2,600	
Change in participant payables	980,479	551,687
NET CASH FROM OPERATING ACTIVITIES	214,627	(330,629)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,477)	-
NET CASH FROM INVESTING ACTIVITIES	(5,477)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on FHLB advances	(56,600)	-
Proceeds from FHLB advances	32,222	-
Payment on near equity loan	(125,000)	-
Payments on line of credits	(1,567,761)	(1,306,192)
Proceeds from line of credits	1,280,195	1,678,131
NET CASH FROM FINANCING ACTIVITIES	(436,944)	371,939
NET CHANGE IN CASH AND CASH EQUIVALENTS	(227,794)	41,310
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	295,090	253,780
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 67,296	$ 295,090

See accompanying notes and independent auditor's report.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of Omaha 100, Incorporated (the Organization).

1. Organization

The Organization is a not-for-profit community development intermediary whose goal is to help renters in the Omaha, Nebraska metropolitan area become home owners. The mission of Omaha 100 is to provide homeownership opportunities through public and private partnerships, financing, and technical assistance enabling low and moderate income borrowers to own their own home. The Organization provides affordable financing and assists new homeowners with accessing financing.

On March 1, 1992, and as amended on November 19, 1998, the Organization entered into a Loan Pool Participation Agreement with various local financial institutions (the participants). The Loan Pool Account was established to fund the project loans, which are to be originated pursuant to the loan programs developed by the Board of Directors of the Organization. The participants will deposit monthly with the custodian (designated financial institution) their proportionate share of the amounts necessary to fund the project loans. The Organization has established a line of credit with the custodian to fund the project loans in advance of funding from the participants. The Organization approves the project loans and prepares the mortgage file, which is presented to the custodian and the loan servicer. Repayments of principal and interest by the borrowers will be paid to the participants by the loan servicer based on the participants' proportionate share on a monthly basis.

The Organization and the custodian have established a Loan Loss Reserve Account within the Loan Pool Financial Activity for the purpose of accumulating funds as a reserve for losses on project loans. This account is funded by loan closing fees associated with each project loan. The Board of Directors shall establish the level of funds within the account, which is initially defined as 1/2% of the aggregate principal amount of project loans outstanding.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Organization – Continued

The Organization will receive a 7/8% service fee monthly from First National Bank of Omaha (the Loan Servicer). The service fee is based on interest payments received for project loans in the current month. The Loan Servicer calculates and deposits the service fee amount to the Organization's designated account. The participants will make a contribution to the Organization on an annual basis. The amount contributed is based on the participant's asset size as reflected by definition within the Community Reinvestment Act regulation on bank size and range from $2,500 to $10,000 annually. Contributions were $10,000 per participant for the year ended December 31, 2012.

During the year ended December 31, 2002, the Organization's Board of Directors changed the sponsorship agreement. Family Housing Advisory Services (FHAS), a not-for-profit corporation, exempt under section 501(c)(3) of the IRS code, became the sole voting member of the Organization with all the powers of a sole voting member including the right to approve nominations of those persons to be elected to the Board of Directors of Omaha 100. The Organization's Board of Directors, subsequently, included a total of eight board members of whom three are also members of the Family Housing Advisory Services' Board. Although Family Housing Advisory Services has a sole membership, it does not have control over nor economic interest in the Organization. Therefore, Omaha 100 is not required to be consolidated.

2. Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

3. Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Actual results could differ from those estimates.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following three classes of net assets:

a. Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by Board designation.

b. Temporarily restricted net assets are those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates or to specified purposes.

c. Permanently restricted net assets are those net assets whose use by the Organization has donor-imposed restrictions that stipulate resources be maintained permanently but permit the Organization to use up or expend part or all of the income (or economic benefits) derived from the donated assets. As of December 31, 2012, the Organization had no permanently restricted net assets.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers 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 statement of cash flows.

6. Accounts Receivable

Management considers all receivables to be fully collectible; therefore, no allowance for doubtful accounts is provided.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Unconditional Promises To Give

Unconditional promises to give are recognized as revenues and receivables in the period in which the promise is made. Unconditional promises consist of bank subsidies and amounts due from donors. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2012, promises to give consisted entirely of grant funds to be received within one year. Management considers all promises to give to be fully collectible; therefore, no allowance for promises to give is provided.

8. Property and Equipment

Equipment is stated at cost or for contributed items at their estimated fair value at the date of the gift. All equipment purchased over $250 with a useful life of more than one year is capitalized. Depreciation is provided over the estimated useful lives of the assets using the straight line method. Depreciation of equipment is provided over the estimated useful lives one to eleven years of the assets using the straight-line method.

9. Revenues and Reclassifications

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

10. Donated Services

The Organization may receive benefits from services rendered which are provided free of charge. Revenue and a corresponding expense are recognized at the fair value for donated services when either of the following has occurred: donated services create or enhance a non-financial asset; or require specialized skills that the provider possesses and which would ordinarily be purchased.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. The Organization does not have any net income derived from unrelated business activities. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization's Federal Returns of Organization Exempt from Income Tax (Form 990) for 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

12. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

14. Foreclosed Properties – Held for Sale

In the course of business, some program participants, whose mortgage balance due is included in the participant payables and project loans, may default on mortgage payments. Foreclosed properties are removed from the project loans and re-characterized as other assets. For purposes of the Organization's financial statements, properties are valued at the amount of the mortgage outstanding at the time of the foreclosure.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Foreclosed Properties – Rental

For the foreclosed properties that were previously held for sale, in the current year, a determination was made to begin renting these properties. The valuation for the rented properties was determined to be the lesser of the carrying value or the assessed value at the time the determination was made to transition the properties from held to sale to rented properties. As a result, a loss of $15,047 was recorded for the year ended December 31, 2012 for the change in valuation of the properties.

NOTE B. RESERVED CASH – LOAN LOSS RESERVE

Included in the Loan Pool Financial Activity are amounts maintained in the Loan Loss Reserve Account, which is required to be kept in a separate bank account. This account was established by the Loan Pool Participation Agreement to provide a reserve related to project loans. These funds may only be used at the discretion of the Board of Directors of the Organization to cover any losses associated with the project loans or to defer other loan program costs. At December 31, 2012, reserve for losses on project loans was $62,225, which represents 0.392% of the aggregate principal amount of project loans outstanding.

NOTE C. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at several financial institutions located in Omaha, Nebraska. Cash balances of the Organization held with financial institutions were fully insured under federal deposit insurance coverage at December 31, 2012.

NOTE D. HOME EQUITY CONTRACTS

The Organization has two home equity contracts that were provided to clients toward the purchase of their home, which are 50% forgiven after five years. As of December 31, 2012, the home equity contracts remaining balances amounted to $10,000. The home equity contracts are secured by the properties and are payable at the sale of the property for the amount remaining on the books.

NOTE E. PROJECT LOANS RECEIVABLE AND PARTICIPANT PAYABLES

As of December 31, 2012, the Organization had project loans receivable in the amount of $15,882,191. A Loan Pool Agreement states that repayments of project loans by the borrower are paid out monthly to the loan pool participants based on the participants' proportionate share. Therefore, the Organization has established a participants' payable in the amount of $16,662,908, which includes the amount of mortgages related to foreclosed properties of $780,220.

NOTE F. LINES OF CREDIT

ANB line of credit: The Organization has a $65,000 line of credit which matures May 1, 2013. Amounts borrowed under this agreement bear interest at the bank's independent index rate plus 1.000 percentage point over the index (4.0% at December 31, 2012). Payments and proceeds to and from the line of credit for fiscal year 2012 amounted to $112,474 and $88,091, respectively. At December 31, 2012, $32,222 was outstanding on this line. The line is secured by a security agreement on all business assets dated December 31, 2007.

FNBO Line of credit: In accordance with the Loan Pool Agreement, a $300,000 line of credit has been established between the Organization and the Custodian to fund the project loans in advance of funding from the participants. The interest rate on the line of credit is 4.50%. Payments and proceeds to and from the line of credit for fiscal year 2012 amounted to $1,567,761 and $1,280,195 respectively. As of December 31, 2012, the balance on the line of credit was $194,012. The line of credit renews September 2013.

NOTE G. CONTRIBUTIONS

A bank subsidy of $70,000 has been recorded as a contribution from the participating banks.

NOTE H. NEAR EQUITY LOAN

The Organization entered into a loan agreement in October 2002 to provide the Organization with funds to augment its revolving loan program established to assist low and moderate income individuals to purchase and/or rehabilitate single family owner-occupied homes. The loan amount was $250,000 and was paid down in the current year to $125,000. This balance is reflected in the liabilities of the Organization.

The loan has an initial fixed interest rate equal to two percent (2%) per annum for the first 10 years and thereafter adjustable to a fixed rate of interest equal to the lesser of 2% or 3.5% below the then ten year U.S. Treasury note rate on the tenth anniversary date of the initial disbursement. Interest only payments are made quarterly until maturity. The principal balance of the loan and any accrued but unpaid interest is due and payable October 2013.

The loan's original maturity was October 2012. Per the agreement, the lender, extended the loan's maturity date for an additional year as the Organization continues to meet the obligations spelled out in the loan agreement which include quarterly payments of interest. Annually, beginning in October 2013, the borrower has the option of extending the loan's maturity date for an additional year, but is not obligated to do so. In the event that the Organization ceases its normal operations or uses the proceeds of the loan for a purpose other than that outlined above, the borrower may accelerate the maturity of the loan and the entire outstanding principal balance may become immediately due and payable.

NOTE I. RELATED PARTY TRANSACTIONS

The following are the related party transactions which occurred during the year ended December 31, 2012:

1. Several members of the Board of Directors are also employees of the financial institutions that are participants in the loan pool. The financial institutions are American National Bank, First National Bank of Omaha, Bank of the West, Mutual of Omaha Bank, US Bank, Great Western Bank, and Wells Fargo Bank. Each Board member receives one vote, there is no proportionate influence given according to the amount the bank contributes.

2. The Organization paid $273,000 and $264,000 to FHAS for the years ended December 31, 2012 and 2011 respectively. The payments were for Omaha 100 direct payroll and payroll related expenses, administrative services, program operations, and the reimbursement of expenses paid by FHAS on the Organization's behalf. As of December 31, 2012 and 2011, accounts payable to FHAS amounted to $22,750 and $66,000, respectively.

3. The Organization has a receivable from First National Bank of Omaha in the amount $10,902 and $10,281 for the years ended December 31, 2012 and 2011 respectively. First National Bank has an employee who is a voting member of the Board of Directors. The receivable is for service fees on loans.

NOTE J. LOZIER DEVELOPER SUBSIDIES

The Organization currently holds funds to be distributed to nonprofit developers. The grant is earned by the developers when a new home or substantially rehabbed home is sold or rented. The current list of nonprofit developers includes: Holy Name Housing, Gesu Housing, Augustana Cornerstone Foundation, and Omaha 100. Omaha 100 earned $3,000 from these funds during the year ended December 31, 2012.

NOTE K. LEASING ACTIVITIES

The Organization leases homes to tenants under cancelable and non-cancelable operating leases with terms of one year. The cost of the homes under operating leases was $293,034 at December 31, 2012, and is included in the cost of foreclosed properties in the statement of financial position. Accumulated depreciation on the homes under operating leases was $4,597 at December 31, 2012. The following is a schedule by years of future minimum rentals under non-cancelable operating leases at December 31, 2012:

Year ending December 31,	
2013	$ 7,565

NOTE L. RESTRICTIONS ON NET ASSETS

As of December 31, 2012, temporarily restricted net assets amounted to $44,522 which consisted of the following:

Restricted for future years (City of Omaha CDBG)	$	10,000
Program activities, marketing and furnishings		34,552
	$	44,552

NOTE M. CASH FLOW INFORMATION

The following is additional cash flow information for the year ended December 31, 2012:

1. Interest paid during the year was $5,042.

2. The loan pool participants financed $1,567,761 of new project loans during the year. The borrowers paid off $338,600 of principal to the loan servicer during the year.

NOTE N. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 19, 2012, the date which the financial statements were available to be issued, and has concluded there were no events or transactions occurring between year end and this date that would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

Omaha 100, Incorporated
SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2012
(With comparative totals for 2011)

	Program Services	Management and General	Totals 2012	Totals 2011
Cost of house sold	$ 43,148	$ -	$ 43,148	$ 200,323
Rental property expense	27,754	-	27,754	-
Foreclosure expense	-	-	-	2,384
Occupancy	15,903	-	15,903	15,903
Telephone	559	-	559	546
Postage and printing	417	1,219	1,636	532
Office supplies	2,559	-	2,559	4,895
Travel	3,126	-	3,126	3,442
Insurance	2,188	2,293	4,481	4,276
Professional services	5,300	180	5,480	6,075
Staff development	400	350	750	80
Mortgage credit reports	3,339	-	3,339	2,745
Contract services	238,000	35,000	273,000	264,000
Interest	5,042	-	5,042	7,904
Other	3,364	250	3,614	5,143
Total expenses before depreciation	351,099	39,292	390,391	518,248
Depreciation	4,597	-	4,597	597
Total expenses	$ 355,696	$ 39,292	$ 394,988	$ 518,845

See independent auditor's report.