

Omaha 100, Incorporated
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
For the year ended December 31, 2017

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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, 2017, and the related statements of activities, 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.

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, 2017, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Omaha 100, Incorporated's 2016 financial statements, and our reported dated June 2, 2017, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hayes & Associates, L.L.C.

HAYES & ASSOCIATES, L.L.C.
Omaha, Nebraska
May 25, 2018

Omaha 100, Incorporated
STATEMENT OF FINANCIAL POSITION
December 31, 2017
(With comparative totals for 2016)

		Totals	
ASSETS		2017	2016
CURRENT ASSETS			
Cash		\$ 24,295	\$ 39,353
Accounts receivable		114,050	107,542
Receivable from participants		187,743	281,287
Total current assets		326,088	428,182
PROPERTY AND EQUIPMENT			
Equipment		35,337	35,337
Less accumulated depreciation		(25,385)	(23,128)
Total property and equipment		9,952	12,209
OTHER ASSETS			
Restricted cash			
Reserved cash - loan loss reserve		190,092	158,729
Near equity funds		2,370	1,062
Security deposits		2,685	2,185
Home equity contracts		5,000	10,000
Foreclosed properties - held for sale		101,116	74,396
Foreclosed properties - rentals		285,392	285,392
Less accumulated depreciation foreclosed properties -rental		(29,693)	(24,862)
Project loans receivable		18,231,590	18,129,018
Rehabilitation loans receivable		11,626	13,350
Total other assets		18,800,178	18,649,270
Total assets		\$ 19,136,218	\$ 19,089,661
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 106,306	\$ 116,678
Deferred revenue and amounts held for others		1,000	1,600
Security Deposit		2,685	2,185
ANB line of credit (FHLB advance)		36,413	52,693
FNB line of credit		187,743	281,287
Total current liabilities		334,147	454,443
OTHER LIABILITIES			
Participant payables		18,642,579	18,546,864
Total other liabilities		18,642,579	18,546,864
Total liabilities		18,976,726	19,001,307
NET ASSETS			
Unrestricted		159,492	88,354
Total net assets		159,492	88,354
Total liabilities and net assets		\$ 19,136,218	\$ 19,089,661

See accompanying notes and independent auditor's report.

Omaha 100, Incorporated
STATEMENT OF ACTIVITIES
For the year ended December 31, 2017
(With comparative totals for 2016)

	Totals	
	2017	2016
UNRESTRICTED NET ASSETS		
SUPPORTS, REVENUES, AND RECLASSIFICATIONS		
Contributions	\$ 60,160	\$ 52,550
Grant contributions	50,000	62,500
Interest income	672	1,280
Loan fees	302,797	296,909
Loan fees - City of Omaha	4,652	24,078
Credit report fees	6,766	5,523
Origination fees	28,709	34,340
Sale of homes	139,500	137,500
Rental income	32,153	25,147
Other revenue	1,960	929
Net assets released from restrictions	-	12,500
Total supports, revenues, and reclassifications	627,369	653,256
OPERATING EXPENSES		
Program services	480,118	539,052
Management and general	76,113	55,180
Total operating expenses	556,231	594,232
NON-OPERATING LOSS		
Loss on property valuation	-	18,618
Total expenses and loss	556,231	612,850
CHANGE IN UNRESTRICTED NET ASSETS	71,138	40,406
TEMPORARILY RESTRICTED NET ASSETS		
REVENUES AND RECLASSIFICATIONS		
Net assets released from restrictions	-	(12,500)
Total revenues and reclassifications	-	(12,500)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	(12,500)
CHANGE IN NET ASSETS	71,138	27,906
NET ASSETS, BEGINNING OF YEAR	88,354	60,448
NET ASSETS, END OF YEAR	\$ 159,492	\$ 88,354

See accompanying notes and independent auditor's report.

Omaha 100, Incorporated
STATEMENT OF CASH FLOWS
For the year ended December 31, 2017
(With comparative totals for 2016)

	Totals	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 71,138	\$ 27,906
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	7,088	7,517
Transfers from/to loan loss reserve	(31,363)	(101,851)
Transfers from/to near equity fund	(1,308)	11,282
Transfers from/to Lozier developer subsidy	-	2,036
Transfers from/to security deposits	(500)	(2,185)
Change in home equity contracts	5,000	-
Change in accounts receivable	(6,508)	(53,394)
Change in unconditional promises to give	-	12,500
Change in other receivable from participants	93,544	(83,287)
Change in foreclosed properties - held for sale	(26,720)	177,484
Change in foreclosed properties - rental	-	27,699
Change in project loans receivable	(102,572)	(601,492)
Change in rehabilitation loans receivable	1,724	11,740
Change in accounts payable	(10,372)	63,544
Change in deferred revenue	(600)	(2,461)
Change in security deposit	500	(403)
Change in participant payables	95,715	411,736
NET CASH FROM OPERATING ACTIVITIES	<u>94,766</u>	<u>(91,629)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on line of credit for FHLB advances	(96,680)	(59,125)
Proceeds from line of credit for FHLB advances	80,400	99,524
Payment on near equity loan	-	(12,853)
Payments on line of credits	(1,609,977)	(1,690,480)
Proceeds from line of credits	1,516,433	1,773,767
NET CASH FROM FINANCING ACTIVITIES	<u>(109,824)</u>	<u>110,833</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,058)	19,204
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>39,353</u>	<u>20,149</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 24,295</u>	<u>\$ 39,353</u>

See accompanying notes and independent auditor's report.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2017

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. In July 2013 the Board established an increase in the monthly service fee by 6/8 of a percent to replenish the Loan Loss Reserve to a level of \$200,000. The additional 6/8 of a percent will be directly deposited to the Loan Loss Reserve account on a monthly basis by the servicer.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

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 six participants for the year ended December 31, 2017.

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 or 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.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

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. As of December 31, 2017, the Organization had no temporarily restricted net assets.
- 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, 2017, 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.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

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, 2017, there were no promises to give.

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.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

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.

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. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and assumptions used in preparing the financial statements.

14. 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, 2016, from which the summarized information was derived.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Foreclosed Properties

At December 31, 2017, the Organization had residential real estate properties acquired through foreclosure with a carrying amount of \$356,815. That amount includes all properties for which physical possession had been obtained, either through (a) legal title obtained upon completion of foreclosure proceedings, or (b) conveyance by the borrower in satisfaction of a loan through completion of a deed in lieu of foreclosure or another similar legal agreement.

a. 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. Any costs associated with the properties held for sale are charged to the asset. Foreclosed properties held for sale are valued at lower cost of market, if the asset values for the properties held for sale are greater than the tax assessed value at year end an adjustment is made to decrease the asset value.

b. Foreclosed Properties – Rental

The carrying value and the tax assessed value for the rented properties were consistent with 2016. In 2017, the organization held 4 properties for rental. The total values of said properties were valued at \$257,699, after depreciation, for the year ended December 31, 2017.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

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, 2017, reserve for losses on project loans was \$190,092, which represents 1% 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, 2017.

NOTE D. HOME EQUITY CONTRACTS

The Organization has one home equity contracts that was provided to a client toward the purchase of their home, which is 50% forgiven after five years. As of December 31, 2017, the home equity contracts remaining balances amounted to \$5,000. The home equity contract is secured by the property and is 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, 2017, the Organization had project loan receivables in the amount of \$18,231,590. 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 \$18,642,579, which includes the amount of mortgages related to foreclosed properties of \$410,995.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

NOTE F. LINES OF CREDIT

ANB line of credit: The Organization has a \$65,000 line of credit which matures May 1, 2018. 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, 2017).). Payments and proceeds to and from the line of credit for fiscal years 2017 amounted to \$96,680 and \$80,400, respectively. At December 31, 2017, \$36,413 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 6%. Payments and proceeds to and from the line of credit for fiscal year 2017 amounted to \$1,609,977 and \$1,516,433 respectively. As of December 31, 2017, the balance on the line of credit was \$187,743. The line of credit renews September 2018.

NOTE G. CONTRIBUTIONS

A bank subsidy of \$60,000 has been recorded as a contribution from the participating banks.

NOTE H. RELATED PARTY TRANSACTIONS

The following are the related party transactions which occurred during the year ended December 31, 2017:

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, and Great Western Bank. Each Board member receives one vote, there is no proportionate influence given according to the amount the bank contributes.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

NOTE H. RELATED PARTY TRANSACTIONS – CONTINUED

2. The Organization paid \$340,900 to FHAS for the year ended December 31, 2017. 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 in addition to rents for office space, \$325,000 and \$15,900 respectively. As of December 31, 2017, accounts payable to FHAS amounted to \$91,250.
3. The Organization has a receivable from First National Bank of Omaha in the amount \$22,961 for the year ended December 31, 2017. First National Bank has an employee who is a voting member of the Board of Directors. The receivable is for service fees on loans.
4. The Organization has a payable due to First National Bank of Omaha in the amount \$12,411 for the year ended December 31, 2017. The payable is for one foreclosed property previously sold by the organization for a loss. The amount includes the remaining principal balance due on the first mortgage and related fees. First National Bank has an employee who is a voting member of the Board of Directors.

NOTE I. 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 \$255,671 at December 31, 2017, and is included in the cost of foreclosed properties in the statement of financial position. The total cost of homes available to be rented was \$285,392. Accumulated depreciation on the homes under operating leases was \$29,693 at December 31, 2017. The following is a schedule by years of future minimum rentals under non-cancelable operating leases at December 31, 2017:

Year ending December 31, 2018	<u>\$ 4,165</u>
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NOTE J. RESTRICTIONS ON NET ASSETS

As of December 31, 2017, temporarily restricted net assets amounted to \$0.

Omaha 100, Incorporated
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

NOTE K. CASH FLOW INFORMATION

The following is additional cash flow information for the year ended December 31, 2017:

1. Interest paid during the year was \$3,523.
2. The loan pool participants financed \$1,695,486 of new project loans during the year.
3. The borrowers paid off \$839,140 of principal to the loan servicer during the year.

NOTE L. SALE OF MORTGAGE LOANS

By resolution, in April, 2017, the Omaha 100 Board of Directors authorized the Executive Director of Omaha 100 to negotiate with MetaFund for the sale of any loans owned by Omaha 100. MetaFund Corporation (Purchaser) is an Oklahoma not-for-profit corporation, having its principal offices at 2545 S. Kelly Avenue, Suite F, Edmond, OK 73013-3857. Outside legal counsel, Smith Slusky Law, were retained to evaluate legal documents including a contract of sale and Loan Servicing Agreement.

Ultimately, seventeen mortgage loans were sold to MetaFund by a Purchase and Sale Agreement executed on October 31, 2017. The total outstanding balance of the mortgage loans sold, (sale price) at the time the payoff was received from Metafund on November 1, 2017, was approximately \$623,267.73. All loans and related promissory notes and loan documents were finally assigned by Omaha 100 Incorporated and assumed by MetaFund Corporation, and the files of purchased loans were also physically delivered, on October 31, 2017 at the time of closing.

Omaha 100 is not a party to the related loan servicing agreement entered into between First National Bank of Omaha, as servicer, and MetaFund as owner of the purchased loans. However, for each Mortgage Loan that makes a payment in any given month, Omaha 100 will receive each month a portion of the servicing fee collected by Servicing Agent, in an amount equal to 1/12th of 0.875% of the outstanding balance of each such Mortgage. This fee is agreed to be a contribution to Omaha 100 from MetaFund for those services Omaha 100 agreed to continue to perform on purchased loans to facilitate communications with Mortgagors by serving as the point of contact between MetaFund and mortgagors of purchased loans.

Omaha 100, Incorporated
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NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended December 31, 2017

NOTE M. SUBSEQUENT EVENTS

At the request of Omaha 100 Board members, who were familiar with both Omaha 100 Incorporated's capacity and the recent opportunity for Habitat for Humanity of Omaha to charge interest on loans made to purchasers of its homes, Omaha 100 staff began exploring a formal collaboration with Habitat. Throughout the fall of 2017 a draft Memorandum of Understanding was produced jointly by Omaha 100 and Habitat staff outlining the process that would be followed to assist Habitat's customers through the Omaha 100 underwriting process. Outside legal counsel, Smith Slusky Law, were retained to develop legal documents including a Loan Pool Agreement and Loan Servicing Agreement.

On October 30, 2017 Habitat for Humanity of Omaha and Omaha 100 Incorporated hosted a meeting of approximately 20 representatives of prospective lenders and participants in a new loan pool to fund mortgage loans needed for the purchase of Habitat developed homes. This collaboration was seen as an opportunity for a win/win result for both nonprofits by enabling Omaha 100 to expand lending opportunities consistent with its mission and Habitat for Humanity to further scale up the impact of their housing development work by providing an ongoing and sustainable source of capital financing for its customers purchasing homes. Interested lender participants were asked to indicate their general interest in developing a new loan pool to fund purchases of Habitat developed homes by making informal written commitments.

After receiving a sufficient number of written commitments from prospective lender participants, a Loan Pool Agreement and Servicing Agreement were developed by outside legal counsel as well as Omaha 100 staff and First National Bank of Omaha's (FNBO's) legal and CDC staff. (FNBO was involved due to its role as the prospective custodian and servicer of the new loan pool, a role it as performed since 1995 for Omaha 100). These agreements were then circulated to Habitat and ultimately to prospective lenders for approval. Due to substantial differences between the existing Omaha 100 Loan Pool Agreement and the new "Omaha 100/Habitat" Loan Pool Agreement, these agreements were not finalized until April, 2018 with the first loan closing under the new Omaha 100 Habitat Loan Pool Agreement occurring on April 27, 2018. Habitat estimates that it will provide customers to borrow \$6M in home mortgage loans from Omaha 100 in 2018, though this number will be revised downward due to the delay in startup of this collaborative project. As of this writing there are six banks signed up as Participants in the new loan pool with a strong indication that four more banks will participate. As of May 25, 2018, the date which the financial statements were available to be issued, the Organization did not have any other subsequent events affecting the amounts reported in the financial statements for the year ending December 31, 2017, which are required to be disclosed in the notes to the financial statements for the year then ended.

SUPPLEMENTAL INFORMATION

Omaha 100, Incorporated
SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2017
(With comparative totals for 2016)

	Program Services	Management and General	Totals	
			2017	2016
Cost of house sold	\$ 146,698	\$ -	\$ 146,698	\$ 208,382
Rental property expense	23,855	-	23,855	13,711
Occupancy	15,903	-	15,903	15,903
Telephone	494	-	494	675
Postage and printing	232	382	614	1,280
Office supplies	171	215	386	2,550
Travel	128	-	128	661
Insurance	1,639	2,469	4,108	4,531
Professional services	6,981	20,087	27,068	6,594
Mortgage credit reports	7,149	-	7,149	4,849
Contract services	258,989	52,960	311,949	318,802
Interest	3,523	-	3,523	4,652
Other	7,268	-	7,268	4,125
Total expenses before depreciation	473,030	76,113	549,143	586,715
Depreciation	7,088	-	7,088	7,517
Total expenses	\$ 480,118	\$ 76,113	\$ 556,231	\$ 594,232

See accompanying notes and independent auditor's report.