

HELPING HANDS OF VEGAS VALLEY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017



HOULDSWORTH, RUSSO & COMPANY

8675 S. Eastern Avenue | Las Vegas, Nevada 89123 | P: 702.269.9992 | F: 702.269.9993 | www.trustHRC.com

HELPING HANDS OF VEGAS VALLEY, INC.

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Helping Hands of Vegas Valley, Inc.
Las Vegas, Nevada

We have audited the accompanying financial statements of Helping Hands of Vegas Valley, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 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 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 Helping Hands of Vegas Valley, Inc. as of June 30, 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.

Las Vegas, Nevada
August 23, 2017

Certified Public Accountants
20 YEARS & COUNTING

HOULDSWORTH, RUSSO & COMPANY

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HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

CURRENT ASSETS

Cash	\$	49,889
Accounts receivable		8,637
Grants receivable		31,239
Inventory		12,300
Advance for inventory		4,047
Prepaid expenses		6,154
		112,266

OTHER ASSETS

Property and equipment, net		98,648
Deposits		5,988
		216,902
	\$	216,902

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	30,100
Accrued expenses		31,215
Refundable advances		9,751
Deferred rent, current portion		777
		71,843

LONG-TERM LIABILITIES

Deferred rent, less current portion		2,091
		73,934

NET ASSETS

Unrestricted		142,968
		216,902
	\$	216,902

See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

UNRESTRICTED NET ASSETS

Revenue, gains (losses) and other support:

Grants from state and local governments	\$ 1,068,345
Contributions	133,645
In-kind donations	329,543
Special events, net of costs of direct benefit to donors of \$31,998	9,227
Interest income	1,501
Loss on sale of property and equipment	(519)

Total revenues, gains (losses) and other support	1,541,742
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Expenses:

Program services:

Volunteer care program	148,219
Senior necessities program	448,970
Respite care program	388,681
Transportation program	342,363

Total program services	1,328,233
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Supporting services:

Management and general	167,436
Fundraising	81,581

Total expenses	1,577,250
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DECREASE IN UNRESTRICTED NET ASSETS	(35,508)
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NET ASSETS, BEGINNING OF YEAR	178,476
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NET ASSETS, END OF YEAR	\$ 142,968
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See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services				Supporting Services		Special Events Direct Benefit to Donor	Total
	Volunteer Care Program	Senior Necessities Program	Respite Care Program	Transportation Program	Management and General	Fundraising		
Salaries	\$ 98,098	\$ 46,673	\$ 47,473	\$ 155,780	\$ 82,477	\$ 39,992	\$ -	\$ 470,493
Payroll taxes	11,124	5,293	5,383	17,665	9,353	4,535	-	53,353
Employee benefits	4,211	2,003	2,038	6,687	3,540	1,717	-	20,196
Accounting fees	-	-	-	-	13,728	-	-	13,728
Advertising	-	-	-	-	26,458	-	-	26,458
Depreciation	2,846	12,379	2,444	2,096	2,163	2,990	-	24,918
Fundraising	-	-	-	-	-	6,541	6,901	13,442
Insurance	3,120	13,573	2,680	2,298	2,371	3,278	-	27,320
Interest	-	-	-	-	801	-	-	801
Occupancy	11,069	48,154	9,509	8,152	8,413	11,631	25,097	122,025
Office expense	8,177	3,890	3,957	12,984	6,874	3,333	-	39,215
Pantry items	-	306,692	-	-	-	-	-	306,692
Postage	600	286	291	954	505	245	-	2,881
Printing	338	161	163	536	284	138	-	1,620
Professional fees	-	-	-	77,461	3,329	2,705	-	83,495
Provider fees	-	-	310,007	-	-	-	-	310,007
Repairs and maintenance	1,487	6,464	1,276	23,264	1,129	1,561	-	35,181
Telephone	3,188	1,517	1,543	5,063	2,681	1,300	-	15,292
Travel	3,961	1,885	1,917	29,423	3,330	1,615	-	42,131
	<u>\$ 148,219</u>	<u>\$ 448,970</u>	<u>\$ 388,681</u>	<u>\$ 342,363</u>	<u>\$ 167,436</u>	<u>\$ 81,581</u>	<u>\$ 31,998</u>	<u>\$ 1,609,248</u>
Less: costs of direct benefit to donors							(31,998)	(31,998)
							<u>\$ -</u>	<u>\$ 1,577,250</u>

See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (35,508)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	24,918
Donated inventory	(271,981)
Loss on sale of property and equipment	519
(Increase) decrease in operating assets:	
Accounts receivable	(8,637)
Grants receivable	6,405
Prepaid expenses	32,725
Inventory	272,818
Increase (decrease) in liabilities:	
Accounts payable	(15,536)
Accrued expenses	13,218
Deferred rent	(3,989)
Refundable advances	(56,462)
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NET CASH USED IN OPERATING ACTIVITIES	(41,510)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(19,743)
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NET DECREASE IN CASH	(61,253)
CASH, BEGINNING OF YEAR	111,142
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CASH, END OF YEAR	\$ 49,889
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SUPPLEMENTAL DISCLOSURES:	
Interest paid during the year	\$ 801
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See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Helping Hands of Vegas Valley, Inc. (the “Organization”) was incorporated on June 16, 2000. The Organization was formed to develop, coordinate, and deliver volunteer home-based supportive and assistive services to frail, elderly residents, thus assisting them to maintain their independence and help improve daily living.

The Organization is supported primarily through grants from the Nevada Department of Health and Human Services (DHHS). The Aging and Disability Division of DHHS provides funds from Independent Living grants. These provide funds for the Volunteer Care program, the Respite Care program and the Transportation program. DHHS also provides the Senior Nutrition grant from the Fund for Healthy Nevada. This grant helps fund the food pantry as part of the Senior Necessities program.

Program Descriptions

Helping Hands of Vegas Valley, Inc. has the following programs, which are included in the accompanying financial statements:

Volunteer Care Program – This program utilizes trained volunteers for the transportation or escort to and from medical appointments, friendly visiting, shopping, errands, etc. Eligible individuals must be age 60 or over and have no independent means of transportation.

Respite Care Program – This program provides respite funds for the caregiver of a recipient age 60 or over. The recipient must be a resident of Southern Nevada, have a need for 24 hour supervision and reside with the caregiver. Respite can be used for medical reasons, vacation, or any other time needed in order to help reduce the stress level of the caregiver.

Transportation Program – This program provides services for wheelchair bound seniors through the use of fully equipped handicap vehicles, taking them to medical appointments, shopping, etc. Participants must be age 60 or over and require the use of a wheelchair.

Senior Necessities Program – Through collaboration with community organizations, the Organization has established a food pantry of canned foods and other essentials are distributed once a month to help seniors supplement nutritional needs. The recipient must be a Clark County resident at least 60 years of age and have annual income at or below 150% of the current poverty guidelines.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, some of which may need revision in future periods.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under FASB ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Expense Allocation

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

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by their donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in 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 and reported in the statement of activities as net assets released from restrictions.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

Inventory

Inventory consists of food and non-food items for the food pantry program. Purchased inventory is generally sourced from a local food bank and is received at significantly discounted prices. Donated inventory is recorded when received at an estimated fair value based on per-pound valuation determined by Feeding America, a national food bank network, which is widely considered the industry standard.

Property and Equipment

The Organization capitalizes items that have a useful life of over one year and have a cost of \$1,000 or more. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

Refundable Advances

The Organization receives funds in advance for certain grants. These funds are held in a separate bank account and are transferred at the time an appropriate expense is incurred and the revenue is earned. Until that time the grant monies are recorded as a refundable advance. At the end of the grant period any unspent funds will need to be returned or repurposed by the grantee.

Advertising Expenses

Advertising costs are expensed as incurred. Total advertising costs for the year ended June 30, 2017 was \$ \$26,458.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management Review

Subsequent events have been evaluated through August 23, 2017, which is the date the financial statements were available to be issued.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Machinery and equipment	\$ 78,738
Website	25,340
Vehicles	<u>116,336</u>
	220,414
Less: accumulated depreciation	<u>121,766</u>
	<u>\$ 98,648</u>

NOTE 3. CONCENTRATIONS

The Organization receives approximately 48% of its support from the Nevada Department of Health and Human Services, Aging and Disability Division in the form of program grants.

Approximately 60% of the Organization's receivables are attributed to a grant receivable from the Regional Transportation Commission.

NOTE 4. DONATED GOODS AND SERVICES

Donated goods are recorded as contributions at their estimated fair value at the date of donation.

Donated services are recognized as contributions in accordance with FASB ASC, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services included in the financial statements are advertising and promotion of \$13,314, legal services of \$1,425 and database management support of \$1,904. The database management support was provided by a member of the Board of Directors.

Unpaid volunteers contributed approximately 11,900 hours to the Organization. Management estimates the fair value of those services to be approximately \$107,184 for the year ended June 30, 2017. However, the value of the contributed services is not reflected in the accompanying financial statements as the services do not meet the criteria for recognition under FASB ASC 958-605.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

NOTE 5. OPERATING LEASES

In August 2012, the Organization entered into a five-year lease agreement for office and warehouse space in North Las Vegas, expiring July 2017. Under the agreement, the Organization is required to pay a base rent of \$1,993 per month plus maintenance, repairs, and alterations expenses of .15 cents per square foot rented. The base rent increases 3% each year. As of the date of financial statement issuance, this agreement has not been renewed.

In September 2014, the Organization entered into a five-year lease agreement for office space located in Las Vegas, expiring August 2019. Under the agreement, the Organization is required to pay a base rent of \$2,531 with a payment escalation of 3% each year.

As of June 30, 2017, the Organization had entered into two lease agreements for office equipment for the Las Vegas and North Las Vegas offices expiring October 2020 and September 2018, respectively. Payments under these agreements are \$298 and \$154 per month, respectively.

Future commitments under the lease agreements are as follows:

2018	\$ 41,686
2019	38,052
2020	9,269
2021	<u>1,190</u>
	<u>\$ 90,197</u>

Rental expense under operating leases totaled \$72,624 for the year ended June 30, 2017.