

HELPING HANDS OF VEGAS VALLEY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2018



HOULDSWORTH, RUSSO & COMPANY

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HELPING HANDS OF VEGAS VALLEY, INC.

JUNE 30, 2018

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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, 2018 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, 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.

Holdsworth, Russo & Company, P.C.

Las Vegas, Nevada
February 11, 2019

Certified Public Accountants
20 YEARS & COUNTING

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS

Cash	\$	79,153
Accounts receivable		13,805
Grants receivable		69,068
Inventory		175,055
Prepaid expenses		4,275
		341,356

OTHER ASSETS

Property and equipment, net		133,933
Deposits		5,988
		139,921
	\$	481,277

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	23,543
Accrued expenses		28,625
Refundable advances		119,458
Deferred rent, current portion		1,768
		173,394

LONG-TERM LIABILITIES

Deferred rent, less current portion		322
		322
		173,716

NET ASSETS

Unrestricted		307,561
		307,561
	\$	481,277

See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

UNRESTRICTED NET ASSETS

Revenues, gains and other support:

Grants from state and local governments	\$ 1,183,863
Contributions	171,566
Senior necessities program income	48,639
In-kind donations	304,819
Special events, net of costs of direct benefit to donors of \$27,613	2,294
Other revenue	12,773
Interest income	1,214
	1,725,168
Total revenues, gains and other support	1,725,168

Expenses:

Program services:

Volunteer care program	115,133
Senior necessities program	424,080
Respite care program	291,329
Transportation program	412,096
	1,242,638
Total program services	1,242,638

Supporting services:

Management and general	234,614
Fundraising	83,323
	317,937
Total expenses	1,560,575

INCREASE IN UNRESTRICTED NET ASSETS 164,593

NET ASSETS, BEGINNING OF YEAR 142,968

NET ASSETS, END OF YEAR \$ 307,561

See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services				Supporting Services		Special Events Direct Benefit to Donors	Total
	Volunteer Care Program	Senior Necessities Program	Respite Care Program	Transportation Program	Management and General	Fundraising		
Salaries	\$ 79,065	\$ 93,521	\$ 46,761	\$ 210,173	\$ 86,460	\$ 40,033	\$ -	\$ 556,013
Payroll taxes	7,502	8,873	4,437	19,941	8,203	3,798	-	52,754
Employee benefits	2,919	3,453	1,726	7,760	3,192	1,478	-	20,528
Accounting fees	-	-	-	-	15,005	-	-	15,005
Advertising	-	-	-	-	82,214	-	-	82,214
Depreciation	2,421	14,306	2,825	3,289	2,499	3,456	-	28,796
Insurance	2,022	11,947	2,359	2,746	2,087	2,886	-	24,047
Interest	-	-	-	-	1,665	-	-	1,665
Occupancy	8,351	49,339	9,743	11,342	8,620	11,918	23,000	122,313
Office expense	5,863	6,934	3,467	15,583	6,410	6,440	4,613	49,310
Pantry items	-	218,668	-	-	-	-	-	218,668
Postage	424	504	252	1,132	466	216	-	2,994
Printing	301	357	178	801	330	153	-	2,120
Professional fees	-	-	-	87,283	10,727	8,065	-	106,075
Provider fees	-	-	214,809	-	-	-	-	214,809
Repairs and maintenance	1,857	10,964	2,165	19,751	1,916	2,648	-	39,301
Telephone	2,597	3,072	1,536	6,903	2,840	1,315	-	18,263
Travel	1,811	2,142	1,071	25,392	1,980	917	-	33,313
	<u>\$ 115,133</u>	<u>\$ 424,080</u>	<u>\$ 291,329</u>	<u>\$ 412,096</u>	<u>\$ 234,614</u>	<u>\$ 83,323</u>	27,613	1,588,188
Less: costs of direct benefit to donors							(27,613)	(27,613)
							<u>\$ -</u>	<u>\$ 1,560,575</u>

See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 164,593
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	28,796
Donated vehicles	(57,870)
Donated inventory	(203,900)
(Increase) decrease in operating assets:	
Accounts receivable	18,709
Grants receivable	(61,706)
Prepaid expenses	5,926
Inventory	41,145
Increase (decrease) in liabilities:	
Accounts payable	(6,557)
Accrued expenses	(2,590)
Deferred rent	(778)
Refundable advances	109,707
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NET CASH PROVIDED BY OPERATING ACTIVITIES	35,475
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CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchases of property and equipment	(6,211)
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NET INCREASE IN CASH	29,264
CASH, BEGINNING OF YEAR	49,889
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CASH, END OF YEAR	\$ 79,153
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SUPPLEMENTAL DISCLOSURES:	
Interest paid during the year	\$ 1,665
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See accompanying notes to financial statements

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Receivables

Accounts and grants receivable are stated at unpaid balances, less any discounts and allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of parties to meet their obligations. It is the Organization's policy to allow for any uncollectible receivables when management determines the receivable will not be collected. All receivables were deemed to be collectable and no allowances were made as of June 30, 2018.

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 of \$1.68 per-pound as 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 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.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advances

The Organization receives funds in advance for certain grants. These funds are recognized as revenue at the time an appropriate expense is incurred. 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 grantor.

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 the 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.

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.

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.

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.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Advertising Expenses

Advertising costs are expensed as incurred.

Date of Management Review

Subsequent events have been evaluated through February 11, 2019, 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	\$ 84,949
Website	25,340
Vehicles	<u>174,206</u>
	284,495
Less: accumulated depreciation	<u>(150,562)</u>
	<u><u>\$ 133,933</u></u>

NOTE 3. CONCENTRATIONS

The Organization received approximately 37% of its support from the Nevada Department of Health and Human Services, Aging and Disability Division.

Approximately 34% and 42% of the Organization's receivables are attributed to grants receivable from the Regional Transportation Commission and the Nevada Department of Health and Human Services, respectively.

The Organization maintains its balance of cash in a financial institution located in Nevada. The balances held in cash were fully insured by the Federal Deposit Insurance Corporation as of June 30, 2018.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

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 include database management support of \$3,373. The database management support was provided by a member of the Board of Directors.

Unpaid volunteers contributed approximately 14,900 hours to the Organization. Management estimates the fair value of these services to be approximately \$133,800 for the year ended June 30, 2018. 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 generally accepted accounting principles.

NOTE 5. SIGNIFICANT ESTIMATES

The Organization receives significant amounts of donated goods, to include donated food, and services, as described in Note 4. This is recognized as in-kind revenue and in-kind expense, unless the items meets capitalization requirements. The valuation of these in-kind donations is a significant estimate. The amount recorded as revenue and expense is determined by using management's assessment of the reasonableness of invoices provided by the vendors who provide the in-kind goods and services, or through research to determine a reasonable estimate.

Significant estimates are used to allocate expenses by function. The estimate of the functional expense allocation is based upon a salary and square footage allocation of non-direct expenses. The salary allocation is determined based on an estimate of how much time each employee spends working in each function. The square footage allocation is determined based on an estimate of the space used by each function.

NOTE 6. OPERATING LEASES

In August 2017, the Organization entered into a four-year lease agreement for office and warehouse space in North Las Vegas, expiring July 2021. Under the agreement, the Organization is required to pay a base rent of \$3,322 per month plus taxes, maintenance, repairs, and alterations expenses of 17 cents per square foot rented, for a total of \$4,451 per month.

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 per month with a payment escalation of 3% each year.

HELPING HANDS OF VEGAS VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 6. OPERATING LEASES (CONTINUED)

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 lease agreements are \$298 and \$154 per month, respectively. During the year ended June 30, 2018, the Organization terminated these leases. The Organization is liable for lease payments through the initial contract expiration date.

In May 2018, the Organization entered into a lease agreement for office equipment expiring May 2023. Payments under the lease agreement are \$496 per month.

Future commitments under the lease agreements are as follows:

2019	\$ 97,414
2020	68,630
2021	60,552
2022	10,403
2023	<u>5,456</u>
	<u>\$ 242,455</u>

Rental expense under operating leases totaled \$90,814 for the year ended June 30, 2018.

NOTE 7. SUBSEQUENT EVENTS

In September 2018, the Organization opened a revolving line of credit in the amount of \$75,000. Related effects on financial statements cannot be determined.

Effective January 1, 2019 the Organization merged with James Seastrand Helping Hands of North Las Vegas, Inc. with the Organization being the surviving entity. Supported by both Boards of Directors, the merger is expected to create a stronger, more efficient nonprofit organization that can more effectively provide programs and services to those in the community currently served. Related effects on financial statements cannot be determined.