# FAMILY PROMISE OF LAS VEGAS

## FINANCIAL STATEMENTS

## AUGUST 31, 2016

ELLSWORTH • STOUT
CPAs and Consultants

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***Independent Auditor's Report***

To the Board of Directors
Family Promise of Las Vegas

We have audited the accompanying financial statements of Family Promise of Las Vegas (a nonprofit organization), which comprise the statement of financial position as of August 31, 2016, 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 Family Promise of Las Vegas as of August 31, 2016, 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.

Ellsworth & Stout, LLC

Las Vegas, Nevada
December 13, 2016

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**FAMILY PROMISE OF LAS VEGAS**
**STATEMENT OF FINANCIAL POSITION**
**AUGUST 31, 2016**

| | | |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash | $ | 212,153 |
| Grants receivable, net | | 7,747 |
| Prepaid expenses | | 3,297 |
| Total current assets | | 223,197 |
| **Property and Equipment, net** | | 15,927 |
| **Total Assets** | $ | 239,124 |
| **LIABILITIES AND NET ASSETS** | | |
| **Current Liabilities:** | | |
| Accounts payable | $ | 2,330 |
| Accrued expenses | | 16,505 |
| **Total Liabilities** | | 18,835 |
| **Net Assets:** | | |
| Unrestricted | | 220,289 |
| **Total Liabilities and Net Assets** | $ | 239,124 |

*See accompanying notes to the financial statements.*

**FAMILY PROMISE OF LAS VEGAS**
**STATEMENT OF ACTIVITIES**
**YEAR ENDED AUGUST 31, 2016**

| | |
|---|---|
| **Unrestricted Net Assets** | |
| Unrestricted revenue and other support: | |
| Grant income | $ 279,742 |
| Donations | 398,036 |
| In-kind donations | 158,212 |
| Special events, net of expenses of $1,630 | 6,160 |
| | 842,150 |
| Expenses: | |
| Program services | 612,640 |
| Supporting Services: | |
| Fundraising | 5,983 |
| Management and general | 65,395 |
| | 684,018 |
| **Increase in Net Assets** | 158,132 |
| **Net Assets, Beginning of Year** | 62,157 |
| **Net Assets, End of Year** | $ 220,289 |

*See accompanying notes to the financial statements.*

**FAMILY PROMISE OF LAS VEGAS**
**STATEMENT OF FUNCTIONAL EXPENSES**
**YEAR ENDED AUGUST 31, 2016**

| | Program | Fundraising | Management and General | Total |
|---|---|---|---|---|
| Advertising | $ - | $ 4,896 | $ - | $ 4,896 |
| Depreciation | 9,528 | - | 1,682 | 11,210 |
| Insurance | 10,364 | - | 1,831 | 12,195 |
| Licenses and fees | 2,152 | - | 614 | 2,766 |
| Office expense | 3,632 | - | 1,036 | 4,668 |
| Professional fees | - | - | 13,000 | 13,000 |
| Program services | 340,516 | - | - | 340,516 |
| Rent | 31,082 | - | 5,485 | 36,567 |
| Salaries and related expenses | 203,921 | 1,087 | 36,603 | 241,611 |
| Supplies | 4,774 | - | 1,361 | 6,135 |
| Telephone and communications | 4,621 | - | 813 | 5,434 |
| Travel | - | - | 2,608 | 2,608 |
| Utilities | 2,050 | - | 362 | 2,412 |
| | $ 612,640 | $ 5,983 | $ 65,395 | $ 684,018 |

*See accompanying notes to the financial statements.*

**FAMILY PROMISE OF LAS VEGAS**
**STATEMENT OF CASH FLOWS**
**YEAR ENDED AUGUST 31, 2016**

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Increase in net assets | $ | 158,132 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation | | 11,210 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in grant receivables | | 20,769 |
| (Increase) decrease in prepaid expenses | | (733) |
| Increase (decrease) in accounts payable | | (11,621) |
| Increase (decrease) in accrued expenses | | 13,396 |
| Net cash provided by operating activities | | 191,153 |
| **Net Change in Cash** | | 191,153 |
| **Cash, Beginning of Year** | | 21,000 |
| **Cash, End of Year** | $ | 212,153 |

*See accompanying notes to the financial statements.*

## NOTE 1 – NATURE OF ORGANIZATION

Family Promise of Las Vegas (the "Organization") was incorporated on March 1, 1996. The Organization offers homeless families in Southern Nevada the opportunity to achieve housing stability by providing short term shelter, meals, case management and hospitality. The Organization is supported through grants and donor contributions primarily from the Southern Nevada area. The programs the Organization provides are described below:

*Emergency Shelter: Host Congregations* – The Organization provides short term shelter and food to homeless families at various congregations throughout Las Vegas.

*Support Congregations* – The Organization provides a network of volunteers from various congregations throughout Las Vegas to assist homeless families.

*Supportive Services: Family Resource Center aka "Day Center"* – The Organization provides homeless families with job and credit counseling, welfare and legal advocacy, and individual therapy.

*Rental Support and Aftercare* – The Organization provides grants for rental support to aid homeless families as they move into a new home.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### 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.

### Basis of Presentation

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Financial Accounting Standards Board Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and changes in financial position according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Grants Receivable

Grants receivable represent unreimbursed costs under the Organization's grants. Revenue is recorded once the Organization incurs program specific costs that are reimbursed by the granting agency. The Organization does not anticipate any collection losses with respect to the receivable balance. As a result, no allowance for doubtful accounts is deemed necessary as of August 31, 2016. If accounts become uncollectible, the balances will be charged to expense when that determination is made.

### Property and Equipment

The Organization capitalizes significant expenditures for property and equipment at cost, generally those that exceed $400. Property and equipment that are contributed to the Organization are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets.

### Contributed Goods and Services

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Organization has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded. Donated professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Organization received the following in-kind contributions in the current year:

| | |
|---|---|
| Meals and lodging | $ 122,212 |
| Rent | 36,000 |
| | $ 158,212 |

In addition, unpaid volunteers have donated their time to the Organization's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

### Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires by a stipulated time restriction lapsing or by the purpose of the restriction having been accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same period received are reported as unrestricted support.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Functional Expenses

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

### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Advertising

Advertising costs are expensed as incurred.

### Income Taxes

In July 2005, the Organization received notification from the Internal Revenue Service that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

As defined by ASC Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of August 31, 2016, the tax years that remain subject to potential examination by taxing authorities begin with 2013.

## NOTE 3 – PROPERTY AND EQUIPMENT

As of August 31, 2016, property and equipment consisted of the following:

| | |
|---|---|
| Equipment | $ 9,434 |
| Furniture and fixtures | 8,000 |
| Leasehold improvements | 12,509 |
| Vehicles | 46,140 |
| | 76,083 |
| Less: accumulated depreciation | (60,156) |
| | $ 15,927 |

Depreciation expense for the year ended August 31, 2016 was $11,210.

## NOTE 4 – CONCENTRATIONS

The Organization received approximately 73% of its grant revenue from one grantor for the year ended August 31, 2016. Grant revenue was approximately 33% of total revenue.

## NOTE 5 – LEASE AGREEMENTS

The Organization entered into a non-cancelable operating lease agreement for a copy machine. The lease commenced in July 2016, requires monthly lease payments of $131 and expires in June 2021.

Future minimum rental payments are as follows, as of August 31:

| | |
|---|---|
| 2017 | $ 1,575 |
| 2018 | 1,575 |
| 2019 | 1,575 |
| 2020 | 1,575 |
| 2021 | 1,313 |
| | $ 7,613 |

Total rent expense for the year ended August 31, 2016 was $36,567.

## NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 13, 2016, which is the date the financial statements were available to be issued.