

OUTSIDE LAS VEGAS FOUNDATION

FINANCIAL STATEMENTS

December 31, 2014

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Outside Las Vegas Foundation
Las Vegas, Nevada**

We have audited the accompanying financial statements of Outside Las Vegas Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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.

Auditors' 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 auditors' 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 auditors consider 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 the accounting policies used and 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 Outside Las Vegas Foundation as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

WSRP, LLC

Las Vegas, Nevada
August 4, 2015

OUTSIDE LAS VEGAS FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 96,433
Accounts receivable	37,662
Grants receivable	22,182
Other receivables	1,373
Prepaid expenses	9,016
Deposits	<u>2,200</u>
TOTAL CURRENT ASSETS	168,866
EQUIPMENT	8,045
INTANGIBLE ASSETS	<u>10,471</u>
TOTAL ASSETS	<u>\$ 187,382</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 1,035
Other current liabilities	<u>25,018</u>
TOTAL CURRENT LIABILITIES	26,053
NET ASSETS	
Unrestricted	<u>161,329</u>
TOTAL NET ASSETS	<u>161,329</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 187,382</u>

The accompanying notes are an integral part of the financial statements.

OUTSIDE LAS VEGAS FOUNDATION
STATEMENT OF ACTIVITIES
Year ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Grants and contracts	\$ 359,062	\$ -	\$ 359,062
Contributions	133,924	-	133,924
Program revenue	20,221	-	20,221
Event revenue	18,602	-	18,602
Interest income	47	-	47
Miscellaneous revenue	1,324	-	1,324
Net assets released from restrictions	4,914	(4,914)	-
TOTAL REVENUES AND SUPPORT	<u>538,094</u>	<u>(4,914)</u>	<u>533,180</u>
EXPENSES			
Program services	476,291	-	476,291
Management and general	68,264	-	68,264
Fundraising activities	36,823	-	36,823
TOTAL EXPENSES	<u>581,378</u>	<u>-</u>	<u>581,378</u>
CHANGE IN NET ASSETS	(43,284)	(4,914)	(48,198)
NET ASSETS AT BEGINNING OF YEAR	<u>204,613</u>	<u>4,914</u>	<u>209,527</u>
NET ASSETS AT END OF YEAR	<u>\$ 161,329</u>	<u>\$ -</u>	<u>\$ 161,329</u>

The accompanying notes are an integral part of the financial statements.

OUTSIDE LAS VEGAS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Activities</u>	<u>Total</u>
Accounting Fees	\$ 1,533	\$ 13,802	\$ -	\$ 15,335
Advertising	3,259	752	1,003	5,014
Computer expenses	4,121	2,060	2,060	8,241
Depreciation & Amortization	6,344	1,359	1,359	9,062
Donations	450	-	-	450
Dues & Subscriptions	739	369	369	1,477
Employee Benefits	18,288	1,662	831	20,781
Event Expense	-	-	7,867	7,867
Insurance	6,811	6,812	-	13,623
Meals and Entertainment	-	763	-	763
Office Expenses	1,147	5,355	1,148	7,650
Payroll Taxes	19,325	1,757	878	21,960
Professional Fees	17,162	8,479	5,816	31,457
Program expenses	170,862	-	-	170,862
Rent	23,100	4,950	4,950	33,000
Salaries and Wages	196,623	17,475	9,426	223,524
Taxes & Licenses	-	209	-	209
Training	-	1,248	-	1,248
Travel	-	96	-	96
Utilities	5,207	1,116	1,116	7,439
Vehicle expense	1,320	-	-	1,320
TOTAL FUNCTIONAL EXPENSES	<u>\$ 476,291</u>	<u>\$ 68,264</u>	<u>\$ 36,823</u>	<u>\$ 581,378</u>

The accompanying notes are an integral part of the financial statements.

OUTSIDE LAS VEGAS FOUNDATION
STATEMENT OF CASH FLOWS
Year ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (48,198)
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	9,062
Changes in operating assets and liabilities:	
Trade accounts receivable	(21,052)
Contracts and grants receivable	(22,182)
Other receivables	2,377
Prepaid expenses	(2,474)
Accounts payable	(5,713)
Accrued expenses	<u>14,644</u>
Net cash used by operating activities	(73,536)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash paid for insurance financing	<u>(3,882)</u>
Net cash used by financing activities	<u>(3,882)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	
	(77,418)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	
	<u>173,851</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	
	<u><u>\$ 96,433</u></u>

The accompanying notes are an integral part of the financial statements.

OUTSIDE LAS VEGAS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Outside Las Vegas Foundation (the Organization), a non-profit organization, was formed in August of 2000 and seeks to raise funds in order to enhance the connection between the residents of Southern Nevada and the public lands surrounding the community. By working with the community, businesses, and volunteers, the Organization is able to provide people with safe and memorable experiences of the public trails, parks, and open spaces in Southern Nevada, while also encouraging people to further their education and awareness of what the Southern Nevada landscape has to offer.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. The Organization follows generally accepted accounting principles for nonprofit organizations and reports 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. Classification of restricted net assets is determined by the nature of any donor imposed restrictions.

- Unrestricted contributions and net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.
- Temporarily restricted contributions and net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted contributions and net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase.

OUTSIDE LAS VEGAS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with donors having outstanding balances and the current relationship with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

Grants and Contracts Receivables

Grants and contracts receivables are expenses that have not been reimbursed by a grant or contract for which the expenses have been incurred. Based on the grant award and/or contract and prior experience with the grantor and/or contract holder, management has concluded that realization losses on balances outstanding at year end will be immaterial.

Concentrations of Credit Risk

The Organization's financial instruments that may be exposed to concentrations of credit risk consist primarily of temporary cash investments and receivables.

The Organization maintains its cash balances at a financial institution. At times such investments may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Receivables are stated at the amount management expects to collect from grants, contracts, contributions, and programs. As of December 31, 2014, three donors accounted for 91% of the Organization's accounts receivable, and one grant accounted for all of the Organization's grants receivable. However, the Organization believes it is not exposed to any significant credit risk on receivables due to the nature of the agreements with donors and grantors.

Equipment

Equipment is stated at cost net of accumulated depreciation. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation begins in the month of acquisition or when constructed or developed assets are ready for their intended use.

Intangible Assets

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives.

In-kind Contributions

In-kind contributions received by the Organization are recorded at fair market value and recognized as revenue in the accounting period in which they are received. During 2014 the Organization received no in-kind contributions in the form of specialized services or assets.

**OUTSIDE LAS VEGAS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue from grants and contracts is recognized when earned and is considered to be available for unrestricted use unless otherwise specified by the grant agreement or contract. At times revenue from grants and contracts may contain donor-imposed restrictions.

Contributions are recognized as support in the statement of activities in the period received or unconditionally pledged and are considered to be available for unrestricted use unless otherwise specified by the donor. Donor-restricted contributions are classified as temporarily restricted and included in net assets released from restrictions when expended for their intended purpose.

Program and event revenue are recognized when earned. Deferred program income is recognized when payment is collected, but revenues are not yet earned.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Advertising and Promotion

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$5,014 for the year ended December 31, 2014.

Subsequent Events

Management of the Organization has evaluated subsequent events through August 4, 2015, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that require recognition or disclosure in these financial statements.

NOTE 2 - EQUIPMENT

Equipment is as follows:

Equipment	\$ 12,934
Accumulated Depreciation	<u>(4,889)</u>
Net book value	<u><u>\$ 8,045</u></u>

Depreciation expense for the year ended December 31, 2014 was \$2,587.

OUTSIDE LAS VEGAS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 - INTANGIBLE ASSETS

Intangible assets consist of the following:

Website development and design	\$ 36,376
Accumulated amortization	<u>(25,905)</u>
	<u><u>\$ 10,471</u></u>

Amortization of intangible assets for the year ended December 31, 2014 was \$6,475. Future estimated amortization is as follows:

2015	\$ 6,475
2016	<u>3,996</u>
	<u><u>\$ 10,471</u></u>

NOTE 4 - OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

Accrued payroll liabilities	\$ 14,910
Insurance financing	2,381
Deferred program income	6,817
Other current liabilities	<u>910</u>
	<u><u>\$ 25,018</u></u>

In August 2014 the Organization financed its annual insurance premium of \$6,263. The arrangement matures March 2015 and bears interest at 6.75% with monthly payments of \$809. At December 31, 2014 the outstanding balance owed was \$2,381.

In the first quarter of 2015 the Organization offered two training classes for which they collected payment for prior to December 31, 2014. These collections were recorded as deferred revenue. The Organization will recognize the revenue in 2015 when it is earned.