

Financial Statements

HENDERSON COMMUNITY FOUNDATION

DECEMBER 31, 2015 & 2014

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HENDERSON COMMUNITY FOUNDATION

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OVIST AND HOWARD
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Henderson Community Foundation
Henderson, Nevada

We have audited the accompanying financial statements of Henderson Community Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 of 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.

Independent Auditor's Report



OVIST AND HOWARD
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Henderson Community Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

February 12, 2016
Henderson, Nevada

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 145,176	\$ 423,775
Marketable securities <i>(Note 5)</i>	430,887	213,333
Prepaid expenses	-	687
Total Current Assets	<u>576,063</u>	<u>637,795</u>
TOTAL ASSETS	<u><u>\$ 576,063</u></u>	<u><u>\$ 637,795</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,250	\$ 785
Accrued liabilities	-	2,256
Total Current Liabilities	<u>1,250</u>	<u>3,041</u>
NET ASSETS:		
Unrestricted net assets	27,738	19,923
Temporarily restricted net assets <i>(Note 4)</i>	547,075	614,831
Permanently restricted net assets	-	-
Total Net Assets	<u>574,813</u>	<u>634,754</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 576,063</u></u>	<u><u>\$ 637,795</u></u>

Financial Statements

See accompanying independent auditor's report
and notes to financial statements

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT:				
Donations	\$ 35,153	\$ 201,420	\$ -	\$ 236,573
Other revenue	11,981	-	-	11,981
Investment income	21,324	-	-	21,324
Total Revenue	<u>68,458</u>	<u>201,420</u>	<u>-</u>	<u>269,878</u>
Realized gain (loss) on investments	(826)	-	-	(826)
Unrealized gain (loss) on investments	(17,806)	-	-	(17,806)
Total Gain (Loss) on Investments	<u>(18,632)</u>	<u>-</u>	<u>-</u>	<u>(18,632)</u>
Net assets released from restrictions	269,176	(269,176)	-	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	319,002	(67,756)	-	251,246
EXPENSES:				
Program services	288,981	-	-	288,981
Supporting services:				
Development	1,877	-	-	1,877
Management and general	20,329	-	-	20,329
Total Program and Supporting Services	<u>311,187</u>	<u>-</u>	<u>-</u>	<u>311,187</u>
TOTAL EXPENSES	<u>311,187</u>	<u>-</u>	<u>-</u>	<u>311,187</u>
CHANGE IN NET ASSETS	7,815	(67,756)	-	(59,941)
NET ASSETS - Beginning of year	<u>19,923</u>	<u>614,831</u>	<u>-</u>	<u>634,754</u>
NET ASSETS - End of year	<u>\$ 27,738</u>	<u>\$ 547,075</u>	<u>\$ -</u>	<u>\$ 574,813</u>

Financial Statements

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HENDERSON COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT:				
Donations	\$ 19,538	\$ 240,173	\$ -	\$ 259,711
Other revenue	5,903	-	-	5,903
Investment income	4,062	-	-	4,062
Total Revenue	<u>29,503</u>	<u>240,173</u>	<u>-</u>	<u>269,676</u>
Realized gain (loss) on investments	(292)	-	-	(292)
Unrealized gain (loss) on investments	(296)	-	-	(296)
Total Gain (Loss) on Investments	<u>(588)</u>	<u>-</u>	<u>-</u>	<u>(588)</u>
Net assets released from restrictions	<u>257,794</u>	<u>(257,794)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE, GAINS AND RECLASSIFICATIONS	<u>286,709</u>	<u>(17,621)</u>	<u>-</u>	<u>269,088</u>
EXPENSES:				
Program services	278,760	-	-	278,760
Supporting services:				
Development	1,494	-	-	1,494
Management and general	20,162	-	-	20,162
Total Program and Supporting Services	<u>300,416</u>	<u>-</u>	<u>-</u>	<u>300,416</u>
TOTAL EXPENSES	<u>300,416</u>	<u>-</u>	<u>-</u>	<u>300,416</u>
CHANGE IN NET ASSETS	<u>(13,707)</u>	<u>(17,621)</u>	<u>-</u>	<u>(31,328)</u>
NET ASSETS - Beginning of year	<u>33,630</u>	<u>632,452</u>	<u>-</u>	<u>666,082</u>
NET ASSETS - End of year	<u>\$ 19,923</u>	<u>\$ 614,831</u>	<u>\$ -</u>	<u>\$ 634,754</u>

Financial Statements

See accompanying independent auditor's report
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HENDERSON COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from:		
Donations	\$ 35,153	\$ 19,538
Restricted donations and grants	201,420	240,173
Other revenue	11,981	5,903
Investment income	21,324	4,062
Realized gain (loss) on investments	(826)	(292)
Cash Received from Operating Activities	<u>269,052</u>	<u>269,384</u>
Less Cash Paid for:		
Program services	288,981	278,760
Development	1,877	1,494
Management and general	21,433	17,681
Cash Disbursed for Operating Activities	<u>312,291</u>	<u>297,935</u>
Net Cash Provided (Used) by Operating Activities	(43,239)	(28,551)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	<u>(235,360)</u>	<u>(4,026)</u>
Net Cash Provided (Used) by Investing Activities	(235,360)	(4,026)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(278,599)	(32,577)
CASH AND CASH EQUIVALENTS - at beginning of year	<u>423,775</u>	<u>456,352</u>
CASH AND CASH EQUIVALENTS - at end of year	<u>\$ 145,176</u>	<u>\$ 423,775</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ (59,941)	\$ (31,328)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized gain (loss) on investments	17,806	296
(Increase) decrease in prepaid expenses	687	(70)
Increase (decrease) in accounts payable	465	295
Increase (decrease) in accrued liabilities	(2,256)	2,256
Total adjustments	<u>16,702</u>	<u>2,777</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (43,239)</u>	<u>\$ (28,551)</u>

Financial Statements

See accompanying independent auditor's report
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations - The Henderson Community Foundation (hereinafter, the Organization) was formed August 9, 2002 as a nonprofit organization with the mission to provide resources and support to improve the health, education, and quality of life in the Henderson community.

Basis of Accounting - The financial statements of Henderson Community Foundation have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - As required by generally accepted accounting principles, the Organization reports information regarding its financial position and activities in the following three net asset classes:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board.

Temporarily Restricted - Net assets whose use is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they may be maintained permanently by the Organization.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Income Taxes - The Organization is a nonprofit organization, exempt from income tax under Internal Revenue Code Section 501(c)(3). Accordingly, no liability for federal income taxes has been provided for in the financial statements.

The Organization's tax filings are subject to audit by various taxing authorities. The Organization's federal income tax returns for 2015, 2014, 2013 and 2012 remain open to examination by the Internal Revenue Service. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate based on current facts and circumstances.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

Donations - The Organization records donations as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization reports support that the donor restricts as unrestricted support when the restrictions expire within the same reporting period.

The Organization records the fair market value of donated goods or services as revenue when there is an objective basis available to measure their fair market value, and when the materials or services would be purchased if they were not donated. No amounts have been reflected for services donated from unpaid volunteers as they do not meet the criteria for recognition contained in generally accepted accounting principles.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. These expenses are charged directly to program and support services based on specific identification.

Comparative Information - Certain amounts in the prior year financial statements may have been reclassified for comparison purposes to conform to the current year presentation.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK:

The Organization has concentrated its credit risk for cash by maintaining cash balances in financial institutions located in the Las Vegas, Nevada area during the years ended December 31, 2015 and 2014. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Other cash accounts are insured by the Securities Investor Protection Corporation up to \$500,000. At December 31, 2015 and 2014, uninsured cash balances at both institutions totaled \$-0- and \$-0-, respectively.

NOTE 3 - DATE OF MANAGEMENT'S REVIEW:

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 12, 2016, the date that the financial statements were available to be issued.

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Health	\$ 35,529	\$ 40,870
Education	164,563	137,714
Quality of Life	346,983	436,247
Total temporarily restricted net assets	<u>\$ 547,075</u>	<u>\$ 614,831</u>

The temporarily restricted net assets are made up of the following charitable funds: Apple Partnership, Friends of Crime Scene Investigation, Desert Winds, Henderson Coordinated Community Response Fund, Friends of Henderson Parks & Recreation, Friends of Henderson Police Department SWAT, Henderson Animal Shelter, Henderson Police Honor Guard, Henderson Military Families Assistance, Lindsay Bennett Memorial, Partners with Henderson Police Department Community Relations, Partners with Henderson Police Department K-9, Kelly and James Green Family Fund, At Risk Literacy Fund, History Education Fund, LH Bower School Based Health, Veterans Treatment Court, Nevada State College Fund, SM@RT Connections, Hannah's Ranch, Senior Transportation, Henderson Senior Nutrition, Nevada Veterans' Alliance, and Nevada Goes Falls Free Coalition. At December 31, 2015 and 2014, the remaining balance to be disbursed from these funds is \$547,075 and \$614,831, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows at December 31:

	<u>2015</u>	<u>2014</u>
Purpose restriction accomplished:		
Health	\$ 30,260	\$ 55,756
Education	82,476	89,716
Quality of Life	156,440	112,322
Total restrictions released	<u>\$ 269,176</u>	<u>\$ 257,794</u>

NOTE 5 - MARKETABLE SECURITIES:

Investments are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts computed using the interest method. Marketable securities consist of mutual funds and are classified as available for sale. The company has determined its investment securities are available to support current operations and, accordingly, has classified such investment securities as current assets without regard for contractual maturities. Estimated fair value is based on quoted market prices.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 5 - MARKETABLE SECURITIES (Cont'd):

The carrying value and estimated fair value of investment securities at December 31, 2015 and 2014 is as follows:

	Available-for-sale securities			Fair value (net carrying amount)
	Amortized Cost	Gross unrealized gains	Gross unrealized losses	
<u>December 31, 2015</u>				
Mutual fund	<u>\$ 448,693</u>	<u>\$ -</u>	<u>\$ (17,806)</u>	<u>\$ 430,887</u>
<u>December 31, 2014</u>				
Mutual fund	<u>\$ 213,921</u>	<u>\$ -</u>	<u>\$ (588)</u>	<u>\$ 213,333</u>

NOTE 6 - FAIR VALUE MEASUREMENTS:

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2015 and 2014:

	Fair Value Measurements at Reporting Date Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2015</u>				
Available-for-sale	<u>\$ 430,887</u>	<u>\$ 430,887</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2014</u>				
Available-for-sale	<u>\$ 213,333</u>	<u>\$ 213,333</u>	<u>\$ -</u>	<u>\$ -</u>

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services		Total
		Development	Management and General	
FUNCTIONAL EXPENSES				
Accounting	\$ -	\$ -	\$ 7,025	\$ 7,025
Administrative fee	12,000	-	-	12,000
Bank fees	-	-	2	2
Cash awards-Health	30,260	-	-	30,260
Cash awards-Education	82,476	-	-	82,476
Cash awards-Quality of Life	156,440	-	-	156,440
Contract services	-	-	9,000	9,000
Dues, fees and memberships	-	-	740	740
HCF grant	7,645	-	-	7,645
Insurance	-	-	2,134	2,134
Legal fees	-	-	25	25
Marketing	-	818	-	818
Postage	-	-	623	623
Printing	-	530	-	530
Supplies	160	-	-	160
Telephone	-	-	780	780
Website fees	-	529	-	529
TOTAL	\$ 288,981	\$ 1,877	\$ 20,329	\$ 311,187

Supplementary Information

See accompanying independent auditor's report
on supplementary information

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Supporting Services		Total
		Development	Management and General	
FUNCTIONAL EXPENSES				
Accounting	\$ -	\$ -	\$ 6,650	\$ 6,650
Administrative fee	12,000	-	-	12,000
Bank fees	-	-	4	4
Cash awards-Health	55,751	-	-	55,751
Cash awards-Education	106,433	-	-	106,433
Cash awards-Quality of Life	95,024	-	-	95,024
Contract services	-	-	9,750	9,750
Dues, fees and memberships	-	-	290	290
HCF grant	9,355	-	-	9,355
Insurance	-	-	2,002	2,002
Marketing	-	256	-	256
Postage	-	-	686	686
Printing	-	638	-	638
Supplies	197	-	-	197
Telephone	-	-	780	780
Website fees	-	600	-	600
TOTAL	\$ 278,760	\$ 1,494	\$ 20,162	\$ 300,416

Supplementary Information

See accompanying independent auditor's report
on supplementary information