

Financial Statements

HENDERSON COMMUNITY FOUNDATION
DECEMBER 31, 2013 AND 2012

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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 statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, comprehensive income, 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 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 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.

Certified Public Accountant's Report



OVIST AND HOWARD
CERTIFIED PUBLIC ACCOUNTANTS

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, 2013 and 2012, 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

January 17, 2014
Henderson, Nevada

Certified Public Accountant's Report

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

ASSETS		
	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 456,352	\$ 579,593
Marketable securities	209,603	207,593
Prepaid expenses	617	1,816
Total Current Assets	<u>666,572</u>	<u>789,002</u>
 TOTAL ASSETS	 <u>\$ 666,572</u>	 <u>\$ 789,002</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 490	\$ 2,670
Accrued liabilities	-	1,895
Total Current Liabilities	<u>490</u>	<u>4,565</u>
 NET ASSETS:		
Unrestricted net assets	33,401	38,998
Temporarily restricted net assets (Note 4)	632,452	742,693
Accumulated other comprehensive income	229	2,746
Total Net Assets	<u>666,082</u>	<u>784,437</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 666,572</u>	 <u>\$ 789,002</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, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND RECLASSIFICATIONS:				
Donations	\$ 25,650	\$ 143,199	\$ -	\$ 168,849
Other revenue	4,525	-	-	4,525
Investment income	3,782	-	-	3,782
Total Revenue	33,957	143,199	-	177,156
Realized gain on marketable securities	795	-	-	795
Total Gains on Investments	795	-	-	795
NET ASSETS RELEASED FROM RESTRICTIONS:				
Net assets released from restrictions	253,440	(253,440)	-	-
Total Net Assets Released From Restrictions	253,440	(253,440)	-	-
TOTAL REVENUE, GAINS, AND RECLASSIFICATIONS	288,192	(110,241)	-	177,951
EXPENSES AND LOSSES:				
Program services	271,562	-	-	271,562
Supporting services:				
Development	1,495	-	-	1,495
Management and general	20,732	-	-	20,732
Total Program and Supporting Services	293,789	-	-	293,789
TOTAL EXPENSES AND LOSSES	293,789	-	-	293,789
CHANGE IN NET ASSETS	(5,597)	(110,241)	-	(115,838)
NET ASSETS - Beginning of year	38,998	742,693	-	781,691
NET ASSETS - End of year	\$ 33,401	\$ 632,452	\$ -	\$ 665,853

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, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND RECLASSIFICATIONS:				
Donations	\$ 22,384	\$ 180,636	\$ -	\$ 203,020
Other revenue	4,184	-	-	4,184
Investment income	3,987	-	-	3,987
Total Revenue	30,555	180,636	-	211,191
Realized gain on marketable securities	878	-	-	878
Total Gains on Investments	878	-	-	878
NET ASSETS RELEASED FROM RESTRICTIONS:				
Net assets released from restrictions	200,361	(200,361)	-	-
Total Net Assets Released From Restrictions	200,361	(200,361)	-	-
TOTAL REVENUE, GAINS AND RECLASSIFICATIONS	231,794	(19,725)	-	212,069
EXPENSES AND LOSSES:				
Program services	218,429	-	-	218,429
Supporting services:				
Development	2,140	-	-	2,140
Management and general	20,736	-	-	20,736
Total Program and Supporting Services	241,305	-	-	241,305
TOTAL EXPENSES AND LOSSES	241,305	-	-	241,305
CHANGE IN NET ASSETS	(9,511)	(19,725)	-	(29,236)
NET ASSETS - Beginning of year	48,509	762,418	-	810,927
NET ASSETS - End of year	\$ 38,998	\$ 742,693	\$ -	\$ 781,691

Financial Statements

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

HENDERSON COMMUNITY FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CHANGE IN NET ASSETS:	\$ (5,597)	\$ (110,241)	\$ -	\$ (115,838)
Other comprehensive income:				
Unrealized holding losses arising during the period	(3,313)	-	-	(3,313)
Less: reclassification adjustment for gains included in net income	<u>795</u>	<u>-</u>	<u>-</u>	<u>795</u>
Net unrealized loss on marketable securities	<u>(2,518)</u>	<u>-</u>	<u>-</u>	<u>(2,518)</u>
COMPREHENSIVE INCOME (LOSS)	<u><u>\$ (8,115)</u></u>	<u><u>\$ (110,241)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (118,356)</u></u>

Financial Statements

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from:		
Donations	\$ 25,650	\$ 22,384
Restricted donations and grants	143,199	180,636
Other revenue	4,525	4,184
Investment income	3,782	3,987
Realized gain on marketable securities	795	878
Cash Received from Operating Activities	<u>177,951</u>	<u>212,069</u>
Less Cash Paid for:		
Program services	271,562	218,429
Development	1,495	2,140
Management and general	23,608	17,333
Cash Disbursed for Operating Activities	<u>296,665</u>	<u>237,902</u>
Net Cash Provided by (Used In) Operating Activities	(118,714)	(25,833)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	<u>(4,527)</u>	<u>(204,847)</u>
Net Cash Provided by (Used In) Investing Activities	(4,527)	(204,847)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Provided by (Used In) Financing Activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(123,241)	(230,680)
CASH AND CASH EQUIVALENTS - at beginning of year	<u>579,593</u>	<u>810,273</u>
CASH AND CASH EQUIVALENTS - at end of year	<u>\$ 456,352</u>	<u>\$ 579,593</u>
Reconciliation of revenues over (under) expenses to net cash provided by (used in) operating activities:		
Increase (decrease) in net assets	\$ (115,838)	\$ (29,236)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Increase) decrease in prepaid expenses	1,199	(128)
Increase (decrease) in accounts payable	(2,180)	1,636
Increase (decrease) in accrued liabilities	<u>(1,895)</u>	<u>1,895</u>
Total adjustments	<u>(2,876)</u>	<u>3,403</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (118,714)</u>	<u>\$ (25,833)</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations - The Henderson Community Foundation (hereinafter, the Organization) was formed in 2002 as a non-profit 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 - Financial statement presentation follows the recommendation of the Financial Accounting Standards Board's (FASB) Accounting Standards Council (ASC) 958 (formerly Statement of Financial Accounting Standards (SFAS) No. 117), Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958 (formerly SFAS No. 117), the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The description of the three net asset categories follows:

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 non-profit 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

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. In-kind donations of \$-0- and \$-0- were received for the years ended December 31, 2013 and 2012, respectively. These amounts have been recorded as revenues from donations and expenses. 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.

All donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

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 have been reclassified for comparison purposes to conform to the current year presentation.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK:

The Organization maintains cash balances in two financial institutions located in Las Vegas, Nevada. During the years ended December 31, 2013 and 2012, one of these accounts is insured by the Federal Deposit Insurance Corporation up to \$250,000. The FDIC was offering the Dodd-Frank Program through December 31, 2012. This program provided depositors with unlimited coverage for noninterest bearing transaction accounts at participating FDIC-insured institutions. As of January 1, 2013, the program offering unlimited coverage for non-interest bearing accounts has expired. The remaining cash balance is insured by the Securities Investor Protection Corporation up to \$500,000. In addition, National Financial Services, LLC provides additional coverage at this institution up to the total account net equity beyond the \$500,000 coverage provided by the Securities Investor Protection Corporation. At December 31, 2013 and 2012, 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 January 17, 2014, the date that the financial statements were available to be issued.

Footnotes

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Health	\$ 61,376	\$ 65,270
Education	104,997	210,237
Quality of Life	466,079	467,186
Total temporarily restricted net assets	<u>\$ 632,452</u>	<u>\$ 742,693</u>

The temporarily restricted net assets are made up of the following charitable funds: Apple Partnership, Celiac Disease Support Group of Las Vegas, Friends of Crime Scene Investigation, Desert Winds, Dr. Joel & Carol Bower School-Based Health Center, Henderson Coordinated Community Response Fund, Friends of Henderson Parks & Recreation, Friends of Henderson Police Department SWAT, Friends of Henderson Hospice and Adult Daycare, Henderson Animal Shelter, Henderson Police Honor Guard, Henderson Military Families Assistance, High School Leadership Fund, Lindsay Bennett Memorial, The NAIOP Casey Jones Fund, Partners with Henderson Police Department Community Relations, Partners with Henderson Police Department K-9, Nevada Neuroscience Foundation, Campbell Housing Assistance, Hoenemeyer Fund, Kelly and James Green Family Fund, At Risk Literacy Fund, History Education Fund, O'Callaghan/Walker Scholarship Fund, Levi Strauss Employee Fund, Basic High School Based Health Center, HCCR Henderson Coordinated Community Response Fund, Veterans Treatment Court Fund, Kasner Family Charitable Fund, Nevada State College Annual Fund, Keep the Music Alive, and SM@RT Connections. At December 31, 2013 and 2012, the remaining balance to be disbursed from these funds is \$632,452 and \$742,693, 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>2013</u>	<u>2012</u>
Purpose restriction accomplished:		
Health	\$ 28,645	\$ 18,841
Education	192,780	96,005
Quality of Life	32,015	85,515
Total restrictions released	<u>\$ 253,440</u>	<u>\$ 200,361</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, 2013 AND 2012

NOTE 5 - MARKETABLE SECURITIES (Cont'd):

The carrying value and estimated fair value of investment securities at December 31, 2013 and 2012 is as follows:

	<u>Available-for-sale securities</u>			
	<u>Amortized Cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value (net carrying amount)</u>
<u>December 31, 2013</u>				
Mutual fund	<u>\$ 209,374</u>	<u>\$ 229</u>	<u>\$ -</u>	<u>\$ 209,603</u>
<u>December 31, 2012</u>				
Mutual fund	<u>\$ 204,847</u>	<u>\$ 2,746</u>	<u>\$ -</u>	<u>\$ 207,593</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, 2013 and 2012:

<u>Fair Value Measurements at Reporting Date Using:</u>				
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2013</u>				
Available-for-sale	<u>\$ 209,603</u>	<u>\$ 209,603</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2012</u>				
Available-for-sale	<u>\$ 207,593</u>	<u>\$ 207,593</u>	<u>\$ -</u>	<u>\$ -</u>



OVIST AND HOWARD
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION**

To the Board of Directors
Henderson Community Foundation
Henderson, Nevada

We have audited the financial statements of Henderson Community Foundation as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon dated January 17, 2014, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountants

January 17, 2014
Henderson, Nevada

Certified Public Accountant's Report

HENDERSON COMMUNITY FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Supporting Services		Total
		Development	Management and General	
FUNCTIONAL EXPENSES				
Accounting	\$ -	\$ -	\$ 7,300	\$ 7,300
Administrative fee	12,000	-	-	12,000
Bank fees	-	-	5	5
Cash awards-Health	28,645	-	-	28,645
Cash awards-Education	192,780	-	-	192,780
Cash awards-Quality of Life	32,015	-	-	32,015
Contract services	-	-	8,250	8,250
Dues, fees and memberships	-	-	1,790	1,790
HCF grant	6,000	-	-	6,000
Insurance	-	-	2,010	2,010
Marketing	-	-	-	-
Postage	-	-	597	597
Printing	-	896	-	896
Supplies	122	-	-	122
Telephone	-	-	780	780
Website fees	-	599	-	599
TOTAL	\$ 271,562	\$ 1,495	\$ 20,732	\$ 293,789

Supplemental Information

See accompanying independent auditor's report
on supplemental information

HENDERSON COMMUNITY FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services	Supporting Services		Total
		Development	Management and General	
FUNCTIONAL EXPENSES				
Accounting	\$ -	\$ -	\$ 7,875	\$ 7,875
Administrative fee	12,000	-	-	12,000
Bank fees	-	-	39	39
Cash awards-Health	18,841	-	-	18,841
Cash awards-Education	96,005	-	-	96,005
Cash awards-Quality of Life	85,515	-	-	85,515
Contract services	-	-	8,250	8,250
Dues, fees and memberships	-	-	1,290	1,290
HCF grant	6,000	-	-	6,000
Insurance	-	-	1,981	1,981
Marketing	-	1,000	-	1,000
Postage	-	-	521	521
Printing	-	576	-	576
Supplies	68	-	-	68
Telephone	-	-	780	780
Website fees	-	564	-	564
TOTAL	<u>\$ 218,429</u>	<u>\$ 2,140</u>	<u>\$ 20,736</u>	<u>\$ 241,305</u>

Supplemental Information

See accompanying independent auditor's report
on supplemental information