

Immunize Nevada

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

December 31, 2013

CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplemental Information	
Schedule of Expenditures of Federal Awards	11
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Independent Auditors' Report on Compliance with Requirements That Could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	15
Schedule of Findings and Questioned Costs	17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Immunize Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Immunize Nevada (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the ten months 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 included 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Immunize Nevada as of December 31, 2013, and the changes in its net assets and its cash flows for the ten months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is their 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2014, on our consideration of Immunize Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Immunize Nevada's internal control over financial reporting and compliance.

Stule Associates, LLC

Carson City, Nevada
November 11, 2014

Immunize Nevada

STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS

	<u>2013</u>
Current Assets	
Cash and cash equivalents	\$ 129,522
Grants receivable	<u>364,498</u>
Total Current Assets	<u><u>494,020</u></u>
Property and Equipment	
Office furniture and equipment	32,305
Less accumulated depreciation	<u>(2,443)</u>
Total Property and Equipment	<u><u>29,862</u></u>
Total Assets	<u><u>\$ 523,882</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 216,475
Accrued expenses	<u>11,204</u>
Total Current Liabilities	<u><u>227,679</u></u>
Net Assets	
Unrestricted	<u>296,203</u>
Total Net Assets	<u><u>296,203</u></u>
Total Liabilities and Net Assets	<u><u>\$ 523,882</u></u>

See Accompanying Notes and Independent Auditor's Report

Immunize Nevada

STATEMENT OF ACTIVITIES

For the Ten Months Ended December 31, 2013

	<u>Unrestricted</u>
Revenue, Gains, Losses, and Other Support	
Grant revenue	\$ 853,415
Contributions	61,000
Special events	43,721
Investment return	7,040
Clinic income	3,050
Other Income	4,308
Total Revenue, Gains, Losses, and Other Support	<u>972,534</u>
Expenses	
Program services	
Vaccinations	339,131
Conference	92,862
Education and outreach	417,824
Supporting services	
Management and general	117,999
Fundraising	-
Total Expenses	<u>967,816</u>
Increase in Net Assets	4,718
Net Assets, Beginning of Year	-
Contributed assets	291,485
Net Assets, End of Year	<u>\$ 296,203</u>

See Accompanying Notes and Independent Auditor's Report

Immunize Nevada

STATEMENT OF FUNCTIONAL EXPENSES

For the Ten Months Ended December 31, 2013

	<u>Vaccination Services</u>	<u>Education/Outreach Services</u>	<u>Conference</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total Expenses</u>
Advertising expense	\$ 6,386	\$ 224,088	\$ 1,158	\$ 231,632	\$ 25,608	\$ 257,240
Event Fees	-	6,198	70,847	77,045	689	77,734
Contract services	-	-	-	-	23,130	23,130
Depreciation	-	-	-	-	2,443	2,443
Donations	-	5,780	-	5,780	-	5,780
Insurance	5,891	5,891	-	11,782	2,946	14,728
Meals	-	-	471	471	7,972	8,443
Office expenses	4,538	4,538	65	9,141	2,268	11,409
Other expenses	-	-	21	21	3,607	3,628
Printing	21,058	21,058	7,713	49,829	10,529	60,358
Professional development	-	-	-	-	3,980	3,980
Professional fees	-	-	-	-	17,473	17,473
Rent	6,569	6,569	-	13,138	3,285	16,423
Salaries, taxes, and benefits	91,255	136,883	-	228,138	10,443	238,581
Travel	15,538	3,885	12,587	32,010	2,159	34,169
Utilities	2,934	2,934	-	5,868	1,467	7,335
Vaccination services	<u>184,962</u>	<u>-</u>	<u>-</u>	<u>184,962</u>	<u>-</u>	<u>184,962</u>
Total Expenses	\$ <u>339,131</u>	\$ <u>417,824</u>	\$ <u>92,862</u>	\$ <u>849,817</u>	\$ <u>117,999</u>	\$ <u>967,816</u>

See Accompanying Notes and Independent Auditor's Report

Immunize Nevada

STATEMENT OF CASH FLOWS

For the Ten Months Ended December 31, 2013

	<u>2013</u>
Cash Flows from Operating Activities	
Increase in net assets	\$ 4,718
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	
Depreciation	2,443
Transfer of assets from fiscal agent	77,234
(Increase) decrease in:	
Grants receivable	(364,498)
(Decrease) increase in:	
Accounts payable	216,475
Accrued expenses	<u>11,204</u>
Net Cash Provided by Operating Activities	<u>(52,424)</u>
Cash Flows from Investing Activities	
Purchase of fixed assets	<u>(3,600)</u>
Net Cash Used by Investing Activities	<u>(3,600)</u>
Cash Flows from Financing Activities	
Contributed Capital	<u>185,546</u>
Net Cash Used by Investing Activities	<u>185,546</u>
Net Increase in Cash	129,522
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 129,522</u>

See Accompanying Notes and Independent Auditor's Report

Immunize Nevada

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

Immunize Nevada (the Organization) was incorporated in the State of Nevada on March 12, 2013. The Organization's primary function is to, through partnerships with individuals, businesses and organizations, promote health, education regarding vaccine preventable diseases, and access to vaccinations to children, teens, adults & seniors in Nevada. The major revenues of the Organization come from federal grants and grants from the State of Nevada, contributions from the general public, other not-for-profit organizations and special events.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby income is recognized when earned and costs and expenses are recognized when the obligations are incurred. Accordingly, all significant receivables, payables and other liabilities are reflected.

C. Basis of Presentation

The financial statement presentation follows the recommendation of the Not-for-Profit Entities Presentation of Financial Statements topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the Not-for-Profit Entities Presentation of Financial Statements topic of the ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: 1) unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; 2) temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time, and 3) permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of December 31, 2013, the Organization had unrestricted net assets of \$296,203. The Organization had no temporarily restricted or permanently restricted net assets at December 31, 2013.

D. 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 Functional Expenses and the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Immunize Nevada

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Donor-Imposed Restrictions**

The Organization records and reports its assets, liabilities, net assets, revenues, expenses, gains and losses, and other support based on the existence or absence of donor-imposed restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 gifts as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

F. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

G. **Grants Receivable**

Grants receivable consists of grant payments due from the State of Nevada at December 31, 2013. Management expects to collect the grants receivable outstanding in full; thus, no allowance for doubtful accounts has been established.

H. **Property, Equipment, and Depreciation**

Furniture and equipment are carried at cost or fair market value at the time of purchase or donation, if donated. Long-lived gifts of property and equipment are recognized as unrestricted support when received. The costs of normal maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over useful lives between 5 and 7 years. Depreciation expense for the ten months ended December 31, 2013, was \$2,433.

Immunize Nevada

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. **Property, Equipment, and Depreciation (Continued)**

Additions and betterments of \$2,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

I. **Deferred Revenue**

Deferred revenues arise when resources are received by the organization before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the organization has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

J. **Contributions In-Kind**

The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. No services met the criteria for recognition as contributed services and therefore no amounts have been reflected in the financial statements for those services for the ten months ended December 31, 2012.

K. **Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. No future benefit costs have been capitalized. Total advertising costs for the ten months ended December 31, 2013 were \$257,240.

L. **Income Taxes**

The Organization is a non-profit organization, exempt from income tax under Internal Revenue Code Section 501(c)(3), qualified for the charitable contribution deduction. Accordingly, no liability for federal income taxes has been provided in the financial statements.

Immunize Nevada

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Income Taxes (Continued)

In accordance with the provisions of the Income Tax topic of the FASB ASC, the tax benefit from an uncertain tax position is only recognized in the Statement of Financial Position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the Statement of Activities. The Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements as of December 31, 2013.

The Organization files returns of an organization exempt from income tax in the U.S. federal jurisdiction. The Organization will subject to U.S. federal income tax examinations by tax authorities starting for the tax year 2013 as this is the initial year the Organization will file a return.

M. Use of 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 assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. OPERATING LEASE

The Organization entered into a three-year non-cancelable operating lease for office space on May 9, 2013. Office lease rent expense for 2013 totaled \$13,389.

Future obligations over the terms of the operating lease as of December 31, 2013 are as follows:

2014	\$	22,800
2015		22,800
2016		9,500
	\$	<u>55,100</u>

The Organization has several operating leases for small equipment and copiers with varying monthly lease payments through December 2013. Lease expenses amounted to \$3,033 for the ten months ended December 31, 2013.

Immunize Nevada

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

3. SPECIAL EVENTS

The Organization holds two ongoing special events each year. In accordance with FASB ASC 958-225-45-16, the revenues from those events are reported in total in the Statement of Activities and related expenses are reported in the Program section of the Statement of Activities and the Statement of Functional Expenses under the heading Conference. In addition to charging for these events, the Organization also received grant revenue in the amount of \$51,500 to offset the expense associated with these events.

4. CONCENTRATION OF CREDIT RISK

The Organization maintains funds at financial institutions located in Northern Nevada. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2013, the uninsured balances were zero.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of grants receivable and revenues. All of the Organization' grants receivable balance was from one grant and approximately 87% of revenues were received from two grants for the ten months ended December 31, 2013.

5. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 11, 2014, which represents the date the financial statements were available to be issued.