SPLORE

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT
For the Year Ended December 31, 2014

Larson
CERTIFIED PUBLIC ACCOUNTANTS

SPLORE

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors

SPLORE

We have reviewed the accompanying statement of financial position of **Splore** as of December 31, 2014 and the related statements of activities, functional expenses and cash flows for the year ended then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Larson & Company PC

Salt Lake City, Utah
September 30, 2015

SPLORE
Statement of Financial Position
As of December 31, 2014

ASSETS

Current assets:		
Cash and cash equivalents	$	136,039
Prepaid expenses		10,325
Pledges receivable		4,103
Accrued interest		1,275
Total current assets		151,742
Noncurrent assets:		
Investments		1,061,819
Property and equipment, net		46,466
Total noncurrent assets		1,108,285
Total assets	$	1,260,027

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	$	10,692
Accrued liabilities		9,783
Deferred revenue		14,295
Total current liabilities		34,770
Net assets:		
Unrestricted		1,187,925
Temporarily restricted		37,332
Total net assets		1,225,257
Total liabilities and net assets	$	1,260,027

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

SPLORE

Statement of Activities

For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Totals
Contributions, fees, and other income			
Contributions	$ 1,165,237	$ 32,073	$ 1,197,310
Grants	148,905	-	148,905
Program fees	164,391	-	164,391
Special events (less direct benefits to donors of $1,872)	28,658	-	28,658
In-kind contributions	61,063	-	61,063
Investment return	109,649	-	109,649
Miscellaneous	1,737	-	1,737
Total contributions, fees, and other income	1,679,640	32,073	1,711,713
Satisfaction of restrictions	38,966	(38,966)	-
Total contributions, fees, other income and satisfaction of restrictions	1,718,606	(6,893)	1,711,713
Expenses			
Program expense	462,741	-	462,741
Supporting services:			
General and administrative	78,027	-	78,027
Fundraising	79,541	-	79,541
Total expenses	620,309	-	620,309
Change in net assets	1,098,297	(6,893)	1,091,404
Net assets at beginning of year	89,628	44,225	133,853
Net assets at end of year	$ 1,187,925	$ 37,332	$ 1,225,257

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

SPLORE
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Program expense	Supporting services: General and administrative	Supporting services: Fundraising	Totals
Salaries and wages	$ 207,989	$ 53,257	$ 46,012	$ 307,258
Equipment and depreciation	50,638	1,444	-	52,082
Program and other supplies	38,740	2,911	20,418	62,069
Warehouse rent	31,200	-	-	31,200
Insurance	17,113	3,553	591	21,257
Vehicle expenses	20,786	-	-	20,786
Payroll taxes	20,285	3,099	2,559	25,943
Professional services	18,617	4,726	5,650	28,993
User fees, memberships, dues	13,899	902	429	15,230
Office rent	11,029	1,933	682	13,644
Bank and service fees	8,114	837	2,338	11,289
Advertising expense	6,481	195	274	6,950
Office	5,863	2,833	620	9,316
Staff development and fees	5,847	331	10	6,188
Employee benefits	5,838	893	1,412	8,143
Other	302	517	418	1,237
Interest	-	596	-	596
Totals	462,741	78,027	81,413	622,181
Less expenses included with revenue	-	-	(1,872)	(1,872)
Total expenses statement of activities	$ 462,741	$ 78,027	$ 79,541	$ 620,309

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

SPLORE
Statement of Cash Flows
For the Year Ended December 31, 2014

Cash flows from operating activities:	
Change in net assets	$ 1,091,404
Adjustments to reconcile change in net assets to net cash from operating activities:	
Stock donations	(1,015,090)
Realized and unrealized gains on investments	(85,095)
Depreciation expense	33,695
Change in:	
Pledges receivable	4,425
Prepaid expenses	(10,325)
Accrued interest	(1,275)
Accounts payable	420
Accrued liabilities	(6,027)
Deferred revenue	9,920
Net cash from operating activities	22,052
Cash flows from investing activities:	
Proceeds from sale of investments	38,366
Purchase of equipment	(2,680)
Net cash from investing activities	35,686
Net change in cash and cash equivalents	57,738
Cash and cash equivalents at beginning of year	78,301
Cash and cash equivalents at end of year	$ 136,039
Supplemental Disclosures:	
Amounts paid for:	
Interest	$ 596
Taxes	$ -

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Splore (the "Organization") is a Utah non-profit 501(c)(3) corporation that has been providing accessible outdoor adventures for people of any age and ability since 1977. Splore provides year-round programs including climbing, canoeing, snowshoeing and cross country skiing.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its *FASB ASC Topic 958 Subtopic 205, Not-for-Profit Entities – Presentation of Financial Statements*. *FASB ASC Topic 958 Subtopic 205* requires the Organization to report 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. No permanently restricted net assets were held during the year ended December 31, 2014, and accordingly, these financials do not reflect any activity related to this class of net assets.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.

Temporarily restricted 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 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 conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

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

Pledges receivable

Unconditional promises to give are recorded as pledges receivable at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted. An allowance has not been recorded as of December 31, 2014 as all balances are considered collectible.

Property and equipment

Acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized. If assets are donated and donors stipulate how long the assets must be used or when placed in service, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Property and equipment are stated at cost less accumulated depreciation, or if acquired by donation, at estimated fair value at the date of the donation. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in the statement of activities for the period.

Depreciation is computed over the following estimated useful lives using the straight-line method:

Assets	Useful Lives
Equipment	5 - 7 years
Vehicles	5 years

Contributions and in-kind donations

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and in-kind donations (Continued)

Donations of property and equipment are recorded as support at their estimated fair market value at the date of gift. These donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service.

If the Organization is the recipient of donated services that create or enhance non-financial assets; or that require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by volunteers, the services are recorded at their fair value in the year they are performed.

Many individuals volunteer their time and effort in support of the Organization's programs. The value of these donated services is not recorded in the financial statements as the services do not meet the criteria for recognition as in-kind contributions under U.S. generally accepted accounting principles.

Functional allocation of expenses

The costs of the programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to the program and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising expense

Advertising is expensed in the period incurred. The Organization incurred $6,950 of advertising expense for the year ended December 31, 2014.

Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for federal and state income taxes. The Organization remains subject to income taxes on net income that is derived from a trade or business, regularly carried on, and not for the exempt purpose of the Organization. In the opinion of management the Organization does not have any unrelated business income.

ASC Topic 740, Income Taxes, provides guidance on how uncertain tax positions should be recognized, measure, disclosed and presented in the financial statements. This requires the evaluation by management of tax positions taken or expected to be taken in preparation of the Organization's tax returns to determine if the positions are more-likely-than not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. The Organization's federal income tax for 2011-2013 are open tax years subject to examination by the IRS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are recorded at their fair values. Realized and unrealized gains and losses are included in the statement of activities.

Fair value of financial instruments

The Organization has adopted the provision of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible to value marketable securities and other investments. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. The following fair value hierarchy distinguishes between observable and unobservable inputs categorized in the following levels:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

2. FISCAL SPONSORSHIPS

The Organization is a sponsor for the Get into the River Festival. This is a community festival with multiple partners including Splore, the Jordan River Commission, the City of Salt Lake, and Salt Lake County. The festival goal is to increase and encourage stewardship of the Jordan River Corridor which is directly in line with Splore's mission to beautify and care for our natural resources. The Organization accepts donated funds on behalf of the festival and retains discretion and control of the funds and operations of the projects. The activities of the festival are directly in line with the Organization's tax exempt purpose. These factors qualify the relationship as a fiscal sponsorship and in accordance with U.S. GAAP, the Organization accounts for increases and decreases in the net assets of the festival in its statement of activities.

3. PROPERTY AND EQUIPMENT

Property and equipment, net, as of December 31, 2014 consisted of the following:

Equipment	$ 46,935
Vehicles	139,633
Total property and equipment	186,568
Accumulated depreciation	(140,102)
Total property and equipment, net	$ 46,466

Depreciation expense for the year ended December 31, 2014 was $33,695.

4. INVESTMENTS

Assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using:			
	Total	**Level 1**	**Level 2**	**Level 3**
December 31, 2014				
Fixed income	$ 106,048	$ 106,048	$ -	$ -
Mutual funds	22,388	22,388	-	-
Equity securities	933,383	933,383		-
	$ 1,061,819	$ 1,061,819	$ -	$ -

The Organization has no investments valued using Level 2 and Level 3 measurements as of December 31, 2014. The Organization's policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, 2 or 3 for the year ended December 31, 2014.

Total investment return for the year ended December 31, 2014 was as follows:

Investment return, unrestricted:	
Interest and dividends	$ 24,554
Net realized and unrealized gain (loss)	85,095
Investment return, unrestricted	$ 109,649

4. DONATED SERVICES

Donated services are included in program expense and in supporting services expense at their estimated fair market value.

During 2014, the nature of donated services included web hosting and internet, legal services, and video production. The fair-market value of these services totaled $12,795 for 2014.

5. OPERATING LEASES

The Organization has an operating lease for the rental of its office and copier. The future minimum lease payments due under these arrangements are as follows:

Years ending December 31,		
2015	$	15,203
2016		2,794
Thereafter		-
Total future minimum payments	$	17,997

Operating lease expense for the year ended December 31, 2014 was $14,684.

6. TEMPORARILY RESTRICTED NET ASSETS

The Organization receives pledges and contributions that have purpose or time restrictions. Temporarily restricted net assets as of December 31, 2014 consisted of the following:

Temporarily restricted net assets:		
Future trips	$	24,509
Equipment purchases		8,720
Time restrictions		4,103
Total temporarily restricted net assets	$	37,332

7. CONCENTRATION OF CREDIT AND MARKET RISK

The Organization maintains its cash and cash equivalent balances at financial institutions. The deposits may at times exceed the federally insured limits of $250,000 established by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses related to its accounts and believes it is not exposed to any significant credit risk.

The Organization maintains investments in brokerage accounts that are insured by the Security Investors Protection Corporation (SIPIC) up to $500,000 including $250,000 on cash balances. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

8. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Organization recognizes the effects of subsequent events that provide additional information about conditions that existed at the date of the statement of financial positions. Management has evaluated events occurring between the end of its fiscal year, December 31, 2014 and September 25, 2015, the date the financial statements were available to be issued for matters that would require disclosure or adjustment to the financial statements.

No events have occurred subsequent to December 31, 2014 that require recording or disclosure in these financial statements.