

Dear Community,

Earlier this year, Southern Nevada Association of Pride, Inc. (“SNAPI”), learned that it lost its tax exempt 501(c)(3) status with the IRS. This finding shocked SNAPI’s Board of Directors, who immediately launched an internal investigation, which revealed that SNAPI had not filed tax returns with the IRS for the past three tax seasons.

SNAPI questioned its former Treasurer, whose duty was to file all tax returns, to provide an explanation and provide all supporting documents to the Board. The former Treasurer provided tax returns he claimed that were signed and prepared by a CPA. The CPA listed as the preparer of those returns denied preparing and signing those returns, alleged that the returns were forged, and never received payment for preparing those returns. A financial audit confirmed that there were no payments made to the CPA. After the Board called for a disciplinary hearing, the Treasurer promptly resigned.

The Board also took the corrective steps of obtaining legal counsel and a CPA to apply for reinstatement of SNAPI’s 501(c)(3) tax exempt status. Upon submission of the application for reinstatement and supporting documentation, legal counsel advised SNAPI to operate “business as usual” with respect to carrying out its nonprofit mission. On August 22, 2013, the IRS sent SNAPI an acknowledgement letter of SNAPI’s pending 501(c)(3) application.

Currently, the Board is consulting with legal counsel regarding SNAPI’s legal rights and recourse against its former Treasurer.

Moving forward, SNAPI is amending its By-Laws, which will implement a new checks and balances system, including, but not limited to, yearly internal audits and tax form preparation services from independent vendors, which the Board will include in SNAPI’s annual budget.

Since SNAPI currently is in the IRS review process without its previous tax exempt status, the Board of Directors of The Gay and Lesbian Community Center of Southern Nevada, Inc. (“The Center”), has graciously come to SNAPI’s aid. The Center is a 501(c)(3) tax exempt entity whose mission aligns with SNAPI’s. The Center offered SNAPI to be its Fiscal Sponsor from September 14, 2013 through December 31, 2013. As Fiscal Sponsor, The Center will list SNAPI as one of its projects for purposes of engaging in sponsorship contracts and collecting event receipts so that SNAPI can continue to carry on its charitable and educational

operations. All donations should be made payable to The Gay and Lesbian Community Center of Southern Nevada, Inc., with the restriction that the funds shall be used for SNAPI's projects.

SNAPI appreciates all the efforts put forth by The Center and all the cooperation and support by our local LGBT community and the general public.

Sincerely,

Southern Nevada Association of Pride Inc.