JOBS FOR NEVADA'S GRADUATES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

ELLSWORTH • STOUT

CPAs and Consultants

JOBS FOR NEVADA'S GRADUATES, INC.
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Independent Auditor's Report

To the Board of Directors
Jobs for Nevada's Graduates, Inc.
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Jobs for Nevada's Graduates, Inc. (Organization), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

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 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.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities and each major fund of Jobs for Nevada's Graduates, Inc., as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2019, on our consideration of the Organization's internal control over financial reporting and 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 the 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 the Organization's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

Las Vegas, Nevada
November 19, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Jobs for Nevada's Graduates, Inc. provides an overview of the Organization's financial activities for the year ended June 30, 2019. As management of Jobs for Nevada's Graduates, Inc. (the Organization), we encourage readers to consider the information presented here in conjunction with the financial statements and notes. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Organization as a whole and present a longer-term view of the Organization's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements report the Organization's operations in more detail than the government-wide statements.

Financial Highlights

The Organization's net position totals $679,362. Assets consist of cash of $1,062,684, receivables of $229,188, prepaid expenses of $4,088, and other current assets of $6,267. Total revenue is $4,977,004, which includes $3,893,185 from State grants used for expenditures incurred during the fiscal year.

Overview of the Financial Statements

The Organization's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and the accompanying notes to the financial statements.

Government- Wide Financial Statements:
The government-wide financial statements are designed to provide readers with a broad overview of the Organization's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Organization's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Organization is improving or deteriorating.

The statement of activities presents information showing how the Organization's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements:
A fund is established to account for a specific activity or purpose. The Organization only has governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the governmental fund financial statements focus on near-term spendable resources, and the governmental activities on the government-wide financial statements have a longer term focus, a reconciliation of the differences between the two is provided following the fund financial statement's balance sheet and statement of revenues, expenditures and changes in fund balances, respectively.

Notes to the Basic Financial Statements:
The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements and should be read with the financial statements.

The Organization as a Whole

One important question asked about the Organization's finances is: "Is the Organization better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is the basis of accounting used by most private-sector companies.

The change in net position (the difference between total assets and total liabilities) over time is one indicator of whether the Organization's financial health is improving or deteriorating. However, consideration should be given to other non-financial factors in making an assessment of the Organization's health, such as assurances from the Office of the Governor that Jobs for Nevada's Graduates, Inc. (JAG Nevada) will be incorporated into the Governor's proposed budget for the next biennium (2019-2021), the success of efforts to raise additional funds from private sources, the ongoing demonstrated success of the program model, and changes in the economy to assess the overall health of the Organization.

The Organization's net position was as follows:

	2019	2018	Change	Percentage
Current assets	$ 1,302,227	$ 612,501	$ 689,726	113%
Total assets	1,302,227	612,501	689,726	113%
Current liabilities	622,865	382,648	240,217	63%
Total liabilities	622,865	382,648	240,217	63%
Net position	$ 679,362	$ 229,853	$ 449,509	196%

JAG Nevada operated with 56 programs in 43 high schools throughout the State of Nevada. We continue to operate on a reimbursement basis with government grants from the State of Nevada. We continue to work with the State of Nevada Bureau of Vocational Rehabilitation to provide Pre-employment Transition Services to students with disabilities using a fee for service model. This fee for service model improved our net position. We have a contract to provide this service through January 2021.

As part of our effort to meet our strategic goals we continued to work on expanding our funding sources. We continue to receive funding from a variety of sources; State Farm, Wells Fargo, Bank of Nevada, Bank of America; Kinross Round Mountain Gold; AT&T and MGM Resorts. These funds help us to provide additional supportive services to our students. We also opened our first Fee for Service JAG Core model to Delta Academy which is a charter school. We received our first grant from MGM Resorts Foundation to provide four employment showcases where students from our program could interact with various employers and get feedback on resumes and interviewing skills. We also received funding from TESLA to fund our strategic growth initiative. This allowed us to have an operating reserve which made it possible to use more of our state funds. This ability to purchase items such as airline tickets and lodging in advance allows us to be more efficient with the use of funds. It also keeps us providing services to our students with no delay. All of these factors continue to help us improve our net position.

The Organization as a whole – continued

The Organization's revenues were as follows:

	2019	2018	Change	Percentage
Revenue				
State sources	$ 3,893,185	$ 4,001,871	$ (108,686)	
Local sources	89,360	-	89,360	
Other sources	994,459	207,323	787,136	
Total revenue	$ 4,977,004	$ 4,209,194	$ 767,810	18%

JAG Nevada received the largest portion of its revenues from State sources. Primarily, the State sources included funding from the Nevada Department of Education (NDE) for a total of $3,622,080. JAG Nevada received $1,254,893 in revenues from other state and local sources and $100,031 in program revenue. Other state and local sources included funding from AT&T; Clark County School District, Department of Employment, Training & Rehabilitation; and Clark County Outside Agency Grant Funds; The funding received from Clark County School District, Clark County, Department of Employment, Training & Rehabilitation were received to launch a national demonstration project in four high schools in North Las Vegas.

The concept was to have more than one program in each of the high schools and study the effects of the program to see if the impact was enough to move the needles in the selected community of North Las Vegas in the areas of incarceration, TANF, Welfare and graduation rates. This is the third year of the three year commitment from funders for the GO DEEP project. JAG Nevada continues to seek funding to continue the Go DEEP project. MGM International continued to fund the second program at Valley High School and Kinross Round Mountain Gold fully funded the program at Round Mountain High School; the second year of a three year commitment which will sunset in June of 2020. We also received funding from Wells Fargo; Bank of America; NV Energy; and Bank of Nevada for supportive services for the students in our program. In FYE 2019 Strada Education granted us with a three year commitment in the amount of $500,000. This funding was provided to us to expand our Education to Employment model. This program was designed to complement and enhance the JAG Multi-Year model by enhancing and supercharging the follow-up period to ensure students achieve their employment, training and career objectives.

The Organization as a whole – continued

The Organization's expenditures were as follows:

	2019	2018	Change	Percentage
Salaries and wages	2,947,048	2,759,785	$ 187,263	
Employee benefits	710,019	616,100	93,919	
Student services	508,501	368,981	139,520	
Education and training	70,268	43,244	27,024	
Professional services	57,440	52,407	5,033	
Rent expense	52,697	43,664	9,033	
Office expense and other	52,123	45,884	6,239	
Travel	50,325	50,141	184	
Dues and subscriptions	32,458	34,087	(1,629)	
Fundraising	23,088	-	23,088	
Insurance	11,965	10,049	1,916	
Communications	11,563	10,182	1,381	
Total expenses	$ 4,527,495	$ 4,034,524	$ 492,971	12%

During fiscal year 2019, the JAG Nevada program continued to provide services to high schools throughout the state of Nevada. We continue to make changes to our management structure as we are a young organization that grew from 7 program to 56 programs in five years and we are in a constant state of change to see what works best to support the students and staff. We kept our in house Director of Resource Development who continues to reach out both to donors and volunteers to enhance the program we offer.

At the end of the 2019 school year, we went back to having Regional Directors who can provide strong program direction and support to our coordinators. We continue to serve over 3000 students annually and for the second year in a row have received an award for achieving 5 of 5 meeting a national objective. The class of 2019 achieved a 96% graduation rate. JAG Nevada continues to gain recognition for meeting and exceeding our targets.

Government – Wide Financial Analysis

The following analysis has been prepared comparing the results for the fiscal year ending June 30, 2019 to the Final Organization budget:

JOBS FOR NEVADA'S GRADUATES, INC.
BUDGET COMPARISON SCHEDULE (UNAUDITED)
GOVERNMENT-WIDE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable / (Unfavorable)
REVENUE			
State sources	$ 3,689,103	$ 3,893,185	$ 204,082
Local sources	-	89,360	89,360
Other sources	885,000	994,459	109,459
Total revenue	4,574,103	4,977,004	402,901
EXPENDITURES			
Salaries and wages	2,991,776	2,947,048	44,728
Employee benefits	729,013	710,019	18,994
Student services	561,746	508,501	53,245
Education and training	75,257	70,268	4,989
Professional services	55,750	57,440	(1,690)
Rent expense	39,610	52,697	(13,087)
Office expense and other	117,584	52,123	65,461
Travel	48,575	50,325	(1,750)
Dues and subscriptions	32,600	32,458	142
Fundraising	-	23,088	(23,088)
Insurance	14,450	11,965	2,485
Communications	13,257	11,563	1,694
Total expenditures	4,679,618	4,527,495	152,123
Excess (Deficiency) of Revenue Over Expenditures	(105,515)	449,509	555,024
FUND BALANCE, beginning of year	55,183	229,853	174,670
FUND BALANCE, end of year	$ (50,332)	$ 679,362	$ 729,694

JAG Nevada prepared the budget for fiscal year 2019 using the prior year's numbers as a basis for the estimates. The organization continues to find qualified staff and keep the level of benefits previously offered. Overall, JAG Nevada continues to operate in an efficient manner with respect to the budget and its program participants. We continue to strengthen our internal controls and take seriously our role as good stewards of the funds that we are granted.

Request for information

The financial report is designed to provide a general overview of the Organization's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Jobs for Nevada's Graduates, Inc. at 6375 W Charleston Blvd Building L Ste. L-165, Las Vegas, NV, and telephone number (702) 410-8078.

BASIC FINANCIAL STATEMENTS

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS		
Current assets:		
Cash	$	1,062,684
Receivables		229,188
Prepaid expense		4,088
Other current assets		6,267
Total current assets		1,302,227
Total Assets	$	1,302,227
LIABILITIES		
Current liabilities:		
Accounts payable		17,092
Accrued payroll and benefits		171,074
Deferred revenue		9,000
Grants received in advance		425,699
Total current liabilities		622,865
NET POSITION		
Unrestricted		679,362
Total Net Position	$	679,362

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

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities
GOVERNMENTAL ACTIVITIES	
Salaries and wages	$ 2,947,048
Employee benefits	710,019
Student services	508,501
Education and training	70,268
Professional services	57,440
Rent expense	52,697
Office expense and other	52,123
Travel	50,325
Dues and subscriptions	32,458
Fundraising	23,088
Insurance	11,965
Communications	11,563
Total expenditures from governmental activities	4,527,495
PROGRAM REVENUE	
Charges for services	100,031
GENERAL REVENUE	
State sources	3,893,185
Local sources	89,360
Other sources	894,428
Total general revenue	4,876,973
Change in Net Position	449,509
Net Position, Beginning of Year	229,853
Net Position, End of Year	$ 679,362

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

JOBS FOR NEVADA'S GRADUATES, INC.
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund
ASSETS	
Cash	$ 1,062,684
Receivables	229,188
Prepaid expense	4,088
Other current assets	6,267
Total Assets	$ 1,302,227
LIABILITIES	
Accounts payable	$ 17,092
Accrued payroll and benefits	171,074
Deferred revenue	9,000
Total Liabilities	197,166
FUND BALANCES	
Nonspendable:	
Prepaid expenses	4,088
Assigned:	
Operating reserve	442,500
Unassigned	658,473
Total Fund Balances	1,105,061
Total Liabilities and Fund Balances	$ 1,302,227

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

JOBS FOR NEVADA'S GRADUATES, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Governmental Funds	$ 1,105,061
Amounts reported for governmental activities in the statement of net position are different because:	
Grants received in advance are not recognized as revenue until expenses have been incurred.	
Grants received in advance, current	(425,699)
Total Net Position - Governmental Activities	$ 679,362

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

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund
REVENUES	
State sources	$ 3,893,185
Local sources	89,360
Other sources	1,264,363
Total revenues	5,246,908
EXPENDITURES	
Salaries and wages	2,947,048
Employee benefits	710,019
Student services	508,501
Education and training	70,268
Professional services	57,440
Rent expense	52,697
Office expense and other	52,123
Travel	50,325
Dues and subscriptions	32,458
Fundraising	23,088
Insurance	11,965
Communications	11,563
Total expenditures	4,527,495
Net Changes in Fund Balances	719,413
Fund Balances, Beginning of Year	385,648
Fund Balances, End of Year	$ 1,105,061

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

JOBS FOR NEVADA'S GRADUATES, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Governmental Funds	$ 719,413
Amounts reported for governmental activities in the statement of activities are different because:	
Grants received in advance reflect funds received and available for use. and therefore is included in revenue of the governmental funds.	
Grants received in advance in the prior year	155,795
Grants received in advance in the current year	(425,699)
Change in Net Position of Governmental Activities	$ 449,509

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

NOTE 1 – ORGANIZATION AND CHARTER

Jobs for Nevada's Graduates, Inc. (Organization) is a private non-profit governmental agency in the State of Nevada, established in 2013 at the request of the Nevada Governor's Office. The Organization's mission is to graduate every student entrusted in their care from high school and set them on a path to higher education, a career, or both. The Organization receives funding from state and other local sources and must comply with the requirements of these funding sources.

The Organization is a local chapter of their national affiliate Jobs for America's Graduates (JAG). The JAG multi-year program is a highly effective, data-driven model that raises graduation rates and prepares participants by honing their work readiness skills. JAG students graduate at higher rates than their peers and are exceptionally prepared with a tool box of workplace skills that lead to success at work, in postsecondary education, and/or the military.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jobs for Nevada's Graduates, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Organization. The Organization is governed by the Board of Directors (Board), who were appointed by the Nevada Governor's Office. The Board is legally separate and fiscally independent from other governing bodies; therefore, the Organization is a primary government and the Organization is not reported as a component unit by any other government unit. The accounting policies of the Organization conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

Basis of Presentation: Government-wide and Fund Financial Statements

The accompanying financial statements have been prepared in accordance with GASB Codification, Section 2200 (previously referred to as GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34)).

The Organization's basic financial statements consist of both government-wide financial statements and fund financial statements. Accounting principles generally accepted in the United States of America require the Organization to apply all applicable pronouncements of GASB. The Organization also follows guidance issued by the Financial Accounting Standards Board (FASB) in the Accounting Standard Codification (ASC) to the extent that the pronouncements do not conflict with pronouncements issued by GASB.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: Government-wide and Fund Financial Statements - Continued

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The statement of activities presents a comparison between direct expenses and program revenue for each function of the Organization's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. The Organization does not charge indirect expenses to programs or functions. Program revenues include grants and contributions that are either restricted to meeting the operational or capital requirements of a particular program or function, or received through the operations of a specific program. Revenue that is not classified as program revenue is presented as general revenue.

Fund Financial Statements:

The major governmental funds are reported as separate columns in the fund financial statements, as applicable. This requires each fund be treated as a separate accounting entity and that the operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the Organization has been notified that the funds are available to be received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measureable" means that the amount of the transaction can be determined. "Available" means that the amount is collectible within the current period or soon enough thereafter to pay liabilities incurred in the current period. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is for payments of principal and interest on debt service or capital leases, which are recorded when payment is due.

All of the Organization's funds are governmental funds. The Organization reports the following major governmental fund:

> ***General Fund*:** The Organization's general operating fund used to account for all financial resources and costs of operations traditionally associated with governments, which are not required to be accounted for in other funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as cash and short-term investments with an initial maturity of three months or less.

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions which, at times, may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. Prepaid expenses are equally offset by a fund balance classification indicating they are *"non-spendable"*.

Receivables

Receivables include amounts spent under reimbursable grant arrangements and due from the respective grantors. The Organization considers the balance of receivables to be fully-collectible; accordingly, an allowance for uncollectible accounts has not been recorded.

Capital Assets

Capital assets are defined by the Organization as assets with an initial individual cost exceeding $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or an estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value on the date of donation. Costs of normal repair or maintenance that do not add value or materially extend asset life are not capitalized. Depreciation on all capital assets is provided on the straight-line basis over the following estimated useful lives:

Capital Asset Type	Years
Office equipment	3 years

Accrued Salaries and Benefits

Employee compensation earned but not paid by June 30, 2019, has been accrued as liabilities and shown as expenses for the current year.

Net position and Fund balance

In the government-wide financial statements, net position is classified into three components, as applicable:

> ***Invested in Capital Assets, Net of Related Debt:*** This is the component of net position that reports the difference between the capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position and Fund balance - Continued

In the government-wide financial statements, net position is classified into three components, as applicable:

Restricted Net Position: This is the component of net position that reports the constraints placed on the use of assets by constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws and regulations of other governments.

Unrestricted Net Position: All other assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position".

In the fund financial statements, the classifications of fund balance represent amounts that are not subject to appropriation or are legally segregated for a specific purpose and are classified into five components:

Nonspendable fund balance: These items are legally or contractually required to be maintained intact and are not in a spendable form, such as prepaid expenses.

Restricted fund balance: These amounts are restricted for use toward a specific purpose by constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balance: These amounts can only be used for specific purposes as set forth by the Organization Board. The Board must take formal action, prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. Formal Board action is also required to modify or rescind an established commitment.

Assigned fund balance: Assignments are neither restrictions nor commitments, and represent the Organization's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Organization's ending fund balance. The Organization Board and Management have the responsibility of assigning amounts of ending fund balance.

Unassigned fund balance: The residual classification for the General Fund that is available to spend.

When an expenditure is incurred, and both restricted and unrestricted resources are available, the portion of the fund balance that was restricted for purposes shall be reduced first. If no restricted resources exist, then the unrestricted fund balance shall be reduced. Furthermore, when an expenditure is incurred for purposes which amounts of committed, assigned, or unassigned are considered to have been spent, and any of these unrestricted fund balance classifications could be used, they are considered spent in the above order.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, Leases, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the impact the adoption of this statement will have on its financial statements.

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets from governmental activities for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Cost of assets				
Furniture and equipment	$ 10,995	$ -	$ -	$ 10,995
Accumulated depreciation				
Furniture and equipment	(10,995)	-	-	(10,995)
	$ -	$ -	$ -	$ -

No depreciation expense for the year ended June 30, 2019 was recorded as the assets are fully amortized.

NOTE 4 – RELATED PARTIES AND CONDITIONAL PROMISE TO GIVE

The Organization is a local chapter of a national affiliate; therefore, transactions between the Organization and the national affiliate represent related party transactions. For the year ended June 30, 2019, the Organization incurred expenses of $31,907 for annual dues to their national affiliate.

In addition, the Organization has received a grant totaling $450,000 from the national affiliate. Receipt of funding of this pass-through grant is conditional upon certain conditions being met related to objectives of the grant in accordance with the grant agreement. The remaining funding of $75,000 was received during the fiscal year ending June 30, 2019. Revenue of $123,240 was recognized related to this grant for the year ended June 30, 2019.

NOTE 5 – DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to its employees administered by a third party provider. Employees are eligible and automatically enrolled at a contribution rate of three percent. The employer matches employee contributions for employees with at least one year of service at a rate of two-thirds of employee contributions up to three percent. For the year ended June 30, 2019, the Organization paid $33,705 in matching contributions to the plan.

NOTE 6 – COMPLIANCE WITH NEVADA REVISED STATUES AND NEVADA ADMINISTRATIVE CODE

The Organization believes it has conformed to all significant statutory constraints of the financial administration during the fiscal year.

NOTE 7 – LINE OF CREDIT

The Organization has a revolving line of credit issued by a financial institution with a limit of $25,000. In May 2019, the line of credit was paid off. As of June 30, 2019, the Organization had no outstanding balance.

NOTE 8 – LEASES

The Organization was party to four non-cancelable lease agreements for office space during the fiscal year ended June 30, 2019. The non-cancelable operating leases have terms ranging from 10 months to 5 years, with rent payments ranging from $300 to $1,430 per month. Rent expense under these agreements totaled $52,697, which included $20,077 of donated use of facilities based on the fair market value of the office space, for the year ended June 30, 2019.

Future minimum lease payments are due as follows for the years ending June 30:

2020	$ 17,160
2021	14,300
	$ 31,460

NOTE 9 – CONCENTRATIONS

The Organization received approximately 73% of total revenues through grants from the State of Nevada Department of Education. The current level of the Organization's operations and program services may be impacted for segments discontinued if the funding is not renewed annually.

NOTE 10 – SUBSEQUENT EVENT

Subsequent events have been evaluated through November 19, 2019, which is the date the financial statements were available to be issued. No events were identified that would require additional disclosure.

SUPPLEMENTARY INFORMATION

JOBS FOR NEVADA'S GRADUATES, INC.
BUDGET COMPARISON SCHEDULE
GOVERNMENT-WIDE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable / (Unfavorable)	Percentage
REVENUE				
State sources	$ 3,689,103	$ 3,893,185	204,082	
Local sources	-	89,360	89,360	
Other sources	885,000	994,459	109,459	
Total revenue	4,574,103	4,977,004	402,901	9%
EXPENDITURES				
Salaries and wages	2,991,776	2,947,048	44,728	
Employee benefits	729,013	710,019	18,994	
Student services	561,746	508,501	53,245	
Education and training	75,257	70,268	4,989	
Professional services	55,750	57,440	(1,690)	
Rent expense	39,610	52,697	(13,087)	
Office expense and other	117,584	52,123	65,461	
Travel	48,575	50,325	(1,750)	
Dues and subscriptions	32,600	32,458	142	
Fundraising	-	23,088	(23,088)	
Insurance	14,450	11,965	2,485	
Communications	13,257	11,563	1,694	
Total expenditures	4,679,618	4,527,495	152,123	3%
Excess (Deficiency) of Revenue Over Expenditures	(105,515)	449,509	555,024	-526%
FUND BALANCE, beginning of year	55,183	229,853	174,670	
FUND BALANCE, end of year	$ (50,332)	$ 679,362	$ 679,362	-1350%

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Jobs for Nevada's Graduates, Inc.
Las Vegas, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Jobs for Nevada's Graduates, Inc. (the Organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Jobs for Nevada's Graduates, Inc.'s basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jobs for Nevada's Graduates, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jobs for Nevada's Graduates, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Jobs for Nevada's Graduates, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jobs for Nevada's Graduates, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ellsworth & Stout, LLC

Las Vegas, Nevada
November 19, 2019

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