

**JOBS FOR NEVADA'S GRADUATES, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**JOBS FOR NEVADA’S GRADUATES, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Table of Contents**

<b>Independent Auditor’s Report .....</b>	<b>1</b>
<b>Financial Statements:</b>	
Statement of Financial Position.....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
<b>Notes to the Financial Statements .....</b>	<b>6-11</b>

*Independent Auditor's Report*

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

We have audited the accompanying financial statements of Jobs for Nevada's Graduates, Inc. (Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 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 financial position of Jobs for Nevada's Graduates as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Ellsworth & Stout, LLC*

Las Vegas, Nevada  
September 29, 2021



The CPA. Never Underestimate The Value.®

Acuity Financial Center  
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117  
p 702-871-2727 f 702-876-0040

[lvcpas.com](http://lvcpas.com)

Members of the American Institute of Certified Public Accountants & Nevada Society of Certified Public Accountants

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

---

**Current Assets:**

Cash and cash equivalents	\$	1,458,171
Receivables		516,602
Prepaid expenses		50,776
Other current assets		22,786
Total current assets		<u>2,048,335</u>

**Property and Equipment, net**

6,525

**Total Assets**

\$ 2,054,860

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$	12,418
Accrued expenses		215,542
Grants received in advance		95,143
Total current liabilities		<u>323,103</u>

**Net Assets:**

With donor restrictions		66,000
Without donor restrictions		1,665,757
Total net assets		<u>1,731,757</u>

**Total Liabilities and Net Assets**

\$ 2,054,860

*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

---

**Net Assets without Donor Restrictions**

Revenue and other support:

Grant income	\$ 4,377,124
Contributions	827,936
Program revenue	105,000
In-kind contributions	29,344
Other income	1,774
	<u>5,341,178</u>

Expenses:

Program services	3,729,240
Supporting services:	
Management and general	1,023,769
	<u>4,753,009</u>

Increase in net assets without donor restrictions	<u>588,169</u>
---	----------------

**Net Assets with Donor Restrictions**

Contributions	<u>66,000</u>
---------------	---------------

Increase in net assets with donor restrictions	<u>66,000</u>
--	---------------

<b>Increase in Net Assets</b>	654,169
-------------------------------	---------

<b>Net Assets, Beginning of Year</b>	<u>1,077,588</u>
--------------------------------------	------------------

<b>Net Assets, End of Year</b>	<u>\$ 1,665,757</u>
--------------------------------	---------------------

*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

---

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Bad debt	\$ -	\$ 3,692	\$ 3,692
Communications	12,985	-	12,985
Depreciation	-	3,263	3,263
Dues and Subscriptions	-	37,615	37,615
Education and training	35,341	-	35,341
Employee benefits	649,621	139,315	788,936
Insurance	8,674	1,796	10,470
Interest	-	2,716	2,716
Office expense and other	194,079	70,675	264,754
Professional services	-	150,883	150,883
Rent expense	-	62,823	62,823
Salaries and wages	2,661,203	550,991	3,212,194
Student services	157,551	-	157,551
Travel	9,786	-	9,786
	<u>\$ 3,729,240</u>	<u>\$ 1,023,769</u>	<u>\$ 4,753,009</u>

*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**

---

**Cash Flows from Operating Activities**

Increase in net assets	\$ 654,169
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Bad debt expense	3,692
Depreciation expense	3,263
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	(248,108)
(Increase) decrease in prepaid expenses	(41,550)
(Increase) decrease in other current assets	(3,081)
Increase (decrease) in accounts payable	(13,747)
Increase (decrease) in accrued expenses	22,947
Increase (decrease) in deferred revenue	(17,500)
Increase (decrease) in grants received in advance	<u>(201,762)</u>
Net cash provided by operating activities	158,323

**Cash Flows from Investing Activities**

Purchase of property and equipment	(9,788)
------------------------------------	---------

**Cash Flows From Financing Activities:**

Principal payments on long-term debt	<u>(586,500)</u>
--------------------------------------	------------------

**Net Decrease in Cash and Cash Equivalents** (437,965)

**Cash and Cash Equivalents, Beginning of Year** 1,896,136

**Cash and Cash Equivalents, End of Year** \$ 1,458,171

**Supplemental disclosure of cash flow information:**

Interest paid	<u>\$ 2,716</u>
---------------	-----------------

*See accompanying notes to the financial statements.*

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Jobs for Nevada's Graduates, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### **Nature of the Organization**

The Organization is a private non-profit organization 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.

### **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 judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

### **Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by ASU 2016-14), the Organization is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event specified by donors.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

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 Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**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.

**Property and Equipment**

The Organization capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$5,000. Property and equipment that are contributed to the Organization are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is three years.

**Revenue Recognition**

In August 2015 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) pertaining to revenue from contracts with customers. This pronouncement was amended by ASU 2020-05 to extend the effective date of this pronouncement for non-public companies to become effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization adopted Topic 606 at the beginning of the year ended June 30, 2021. The Organization's financial statements were not impacted by the adoption of Topic 606.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or non-conditional. A conditional contribution exists if a) one or more barrier exists and b) the right to receive or retain payment or delivery of the promised asset depends on meeting those barriers. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Non-conditional contributions are recognized when received or right to receive is obtained through documentation.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered.

Revenue from program fees are reported at their estimated realizable amount from vendors. The Organization provides Pre-Employment Transition Services to assist secondary education school students with disabilities to transition from school to employment. Payment of this service is based on service delivery to those students. Revenue for this service is recognized at a point in time when services are performed, and payment becomes receivable upon service completion.

**Contributed Materials and Services**

The Organization records various contributed services at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses, inventory and property and equipment.

The Organization received a discount on rental space, the difference in fair market value and the amount paid is recorded as an in-kind expense. For the year ended June 30, 2021 the value of in-kind rent recognized is \$29,344.

**Income Taxes**

In May 2014, the Organization received notification from the Internal Revenue Service that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

Management has evaluated the tax positions taken within their tax returns and does not believe there are any significant uncertain positions taken on the returns.

As of June 30, 2021, the tax years that remain subject to potential examination by taxing authorities begin with 2018.

**Allocation Methodology**

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort with the exception of salaries and benefits which are directly allocated.

**JOBS FOR NEVADA’S GRADUATES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**New Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which, among other things, requires the recognition of lease assets and lease liabilities by lessees, including for those leases classified as operating leases under previous GAAP, along with the disclosure of key information about leasing arrangements. When effective, the ASU will supersede FASB ASC 840, Leases, and add Topic 842, Leases, to the FASB ASC. The ASU is effective for most nonprofit organizations for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. In addition to replacing FASB ASC 840 with FASB ASC 842, the ASU amends and supersedes other Topics throughout the FASB ASC. Management has not yet evaluated the effects of this standard on the Organization’s financial statements.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The Organization has \$1,813,630 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$1,297,028 and receivables of \$516,602.

As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could draw upon \$25,000 of available line of credit.

**NOTE 3 – PROPERTY AND EQUIPMENT**

As of June 30, 2021 property and equipment consisted of the following:

Property and equipment	\$	20,783
Less: accumulated depreciation		<u>(14,258)</u>
	\$	<u><u>6,525</u></u>

For the year ended June 30, 2021, depreciation expense totaled \$3,263.

**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by donors.

**JOBS FOR NEVADA’S GRADUATES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2021**

---

**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets with donor restrictions are restricted for the following purposes as of June 31, 2021:

Subject to expenditure for specified purpose:

Support Western High School	\$ 20,000
J4NG	15,000
LVHS Support	12,500
Supportive services	10,000
Caps & Gowns	5,000
Scholarship legacy	3,500
	<u>3,500</u>
	<u>\$ 66,000</u>

As of June 30, 2021, net assets with donor restrictions consisted of cash and cash equivalents of \$66,000.

**NOTE 5 – LEASE AGREEMENTS**

The Organization was party to two non-cancelable lease agreements for office space during the fiscal year ended June 30, 2021. The non-cancelable operating leases have terms from 3 to 5 years, with rent payments ranging from \$1,350 to \$1,430 per month. Rent expense under these agreements totaled \$62,823, which included \$29,344 of donated use of facilities based on the fair market value of the office space, for the year ended June 30, 2021.

Future minimum rental payments are as follows, as of June 30:

2022	\$ 33,360
2023	23,910
2024	<u>14,300</u>
	<u>\$ 71,570</u>

**NOTE 6 – 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, 2021, the Organization paid \$29,077 in matching contributions to the plan. These expenses are included in the employee benefits expense grouping on the statement of functional expenses.

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2021**

---

**NOTE 7 – 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, 2021, the Organization incurred expenses of \$35,178 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 provisions being met related to objectives of the grant in accordance with the grant agreement. All funds have been received by the year ending June 30, 2021 and the remaining revenue of \$67,292 on the grant was recognized for the year ended June 30, 2021.

**NOTE 8 – RISKS AND CONTINGENCIES**

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 pandemic may Organization's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Chapter's future financial statements.

**NOTE 9 – CONCENTRATIONS**

The Organization received approximately 78% 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 EVENTS**

Subsequent events have been evaluated through September 29, 2021, which is the date the financial statements were available to be issued.