

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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*Independent Auditor's Report*

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

Opinion

We have audited the accompanying financial statements of Jobs for Nevada's Graduates, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jobs for Nevada's Graduates, Inc. (the "Organization") as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
September 14, 2022

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$	1,579,784
Grants and other receivables		712,350
Prepaid expenses		57,088
Other current assets		7,026
Total current assets		<u>2,356,248</u>

**Property and Equipment, net**

14,778

**Total Assets**

\$ 2,371,026

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$	26,754
Accrued expenses		197,270
Grants received in advance		86,079
Total current liabilities		<u>310,103</u>

**Net Assets:**

With donor restrictions		106,000
Without donor restrictions		1,954,923
Total net assets		<u>2,060,923</u>

**Total Liabilities and Net Assets**

\$ 2,371,026

*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

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**Net Assets without Donor Restrictions**

Revenue and other support:

Grant income	\$ 4,181,751
Contributions	688,448
Program revenue	108,500
In-kind contributions	29,244
Other income	3,826
Net assets released from donor restrictions	23,000
	<u>5,034,769</u>

Expenses:

Program services	3,885,991
Supporting services:	
Management and general	859,612
	<u>4,745,603</u>

Increase in net assets without donor restrictions	<u>289,166</u>
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**Net Assets with Donor Restrictions**

Contributions	63,000
Net assets released from donor restrictions	<u>(23,000)</u>
Increase in net assets with donor restrictions	<u>40,000</u>

<b>Increase in Net Assets</b>	329,166
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<b>Net Assets, Beginning of Year</b>	<u>1,731,757</u>
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<b>Net Assets, End of Year</b>	<u><u>\$ 2,060,923</u></u>
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*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

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	Program	Management and General	Total
Bad debt	\$ -	\$ 1,865	\$ 1,865
Communications	-	10,774	10,774
Depreciation	-	4,310	4,310
Dues and subscriptions	-	39,597	39,597
Education and training	18,201	3,728	21,929
Employee benefits	682,154	144,306	826,460
Insurance	13,594	2,784	16,378
Office expense and other	-	42,861	42,861
Professional services	-	121,756	121,756
Rent expense	28,913	35,166	64,079
Salaries and wages	2,813,840	438,294	3,252,134
Student services	315,502	-	315,502
Travel	13,787	14,171	27,958
	<u>\$ 3,885,991</u>	<u>\$ 859,612</u>	<u>\$ 4,745,603</u>

*See accompanying notes to the financial statements.*

**JOBS FOR NEVADA'S GRADUATES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2022**

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**Cash Flows from Operating Activities**

Increase in net assets	\$	329,166
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Bad debt expense		1,865
Depreciation expense		4,310
Changes in operating assets and liabilities:		
(Increase) decrease in receivables		(197,613)
(Increase) decrease in prepaid expenses		(6,312)
(Increase) decrease in other current assets		15,760
Increase (decrease) in accounts payable		14,336
Increase (decrease) in accrued expenses		(18,272)
Increase (decrease) in grants received in advance		<u>(9,064)</u>
Net cash provided by operating activities		134,176

**Cash Flows from Investing Activities**

Purchase of property and equipment		<u>(12,563)</u>
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**Net Increase in Cash and Cash Equivalents** 121,613

**Cash and Cash Equivalents, Beginning of Year** 1,458,171

**Cash and Cash Equivalents, End of Year** \$ 1,579,784

*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 private, independent organization affiliated with Jobs for America's Graduates (JAG) for the purpose of accessing the JAG model and implementing it in Nevada. 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 toolbox 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.

### **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.

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

**Cash and Cash Equivalents - continued**

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.

**Grants and Other 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**

All donor-restricted contributions that have not been spent within the fiscal year are reported as increases in net assets with donor restrictions. When a restriction expires or funds have been received and spent within the same fiscal year, 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.

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. For the year ending June 30, 2022, all exchange grant revenue was recognized at a point in time when services were performed.

Revenue from program fees is 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.

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

**Contributed Materials and Services**

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Organization has a clearly measurable and objective basis for determining the value. Contributed services are recognized 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.

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, 2022, the value of in-kind rent recognized is \$29,244.

Unpaid volunteers have donated their time to the Organization's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteer's time does not meet the criteria for recognition as contributed services.

**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, 2022, the tax years that remain subject to potential examination by taxing authorities begin with 2019.

**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.

**New Pronouncements**

In February 2016, the FASB issued ASU 2016-02 (Topic 842) pertaining to Leases. Due to the pandemic, ASU 2020-05 was issued that gives an extension of implementation of ASU 2016-02 for certain entities that have not yet issued their financial statements reflecting the adoption of Leases by June 2020. Therefore, under the amendment, Leases is effective for non-public entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application continues to be permitted. Management has not yet evaluated the effects of this standard on the Organization's financial statements.

**JOBS FOR NEVADA’S GRADUATES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2022**

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**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The Organization has \$2,100,055 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 \$1,387,705 and receivables of \$712,530. Contractual or donor-imposed restrictions are not available for general expenditure.

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, 2022, property and equipment consisted of the following:

Furniture and equipment	\$	33,345
Less: accumulated depreciation		<u>(18,567)</u>
	\$	<u>14,778</u>

Depreciation expense for the year ended June 30, 2022 was \$4,310.

**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. Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022:

Subject to expenditure for specified purpose:

and/or passage of time:

Program	\$	55,000
Supportive services		20,000
LVHS Support		17,500
CDC Conference		8,000
Caps and gowns		5,000
Scholarship legacy		<u>500</u>
	\$	<u>106,000</u>

As of June 30, 2022, net assets with donor restrictions consisted of cash and cash equivalents of \$106,000.

**JOBS FOR NEVADA’S GRADUATES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2022**

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**NOTE 5 – LEASE AGREEMENTS**

The Organization was party to two non-cancelable lease agreements for office space during the fiscal year ended June 30, 2022. The non-cancelable operating leases have terms from 3 to 5 years, with rent payments ranging from \$1,350 to \$1,430 per month. For the year ended June 30, 2022, rent expense under these agreements totaled \$64,079, which included \$29,243 of donated use of facilities based on the fair market value of the office space.

Future minimum rental payments are as follows, for the years ending June 30:

2023	\$	30,660
2024		<u>14,300</u>
	\$	<u>44,960</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 100% of the employee salary reduction up to 3% of compensation. For the year ended June 30, 2022, the Organization paid \$98,404 in matching contributions to the plan. These expenses are included in the employee benefits expense grouping on the statement of functional expenses. Employees with at least one year of service are also eligible to receive a non-matching employer contribution of 3% of the employee’s compensation, whether or not salary reduction contributions are made by the employee. These non-matching contributions are subject to a 5-year graded vesting provision.

**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, 2022, the Organization incurred expenses of \$36,937 for annual dues to their national affiliate. These expenses are included in the dues and subscriptions expense grouping on the statement of functional expenses.

**NOTE 8 – CONCENTRATIONS**

The Organization received approximately 80% 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 or segments discontinued if the funding is not renewed annually.

**NOTE 9 – SUBSEQUENT EVENTS**

Management of the Organization has evaluated through September 14, 2022, which is the date the financial statements were available to be issued.