

JOBS FOR NEVADA'S GRADUATES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024

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Table of Contents

Independent Auditor’s Report 1-2

Financial Statements:

 Statement of financial position..... 3

 Statement of activities4

 Statement of functional expenses 5

 Statement of cash flows6

Notes to the Financial Statements7-11

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 non-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements 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, 2024, 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 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.

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.

Velez & Hardy

Las Vegas, Nevada
November 27, 2024

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,925,835
Grants and other receivables	596,083
Prepaid expenses	26,637
Other current assets	7,514
Total current assets	<u>2,556,069</u>

Other Assets:

Intangible lease assets, net	<u>71,144</u>
Total Assets	<u><u>\$ 2,627,213</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 19,427
Accrued expenses	450,125
Lease obligations, current	33,785
Total current liabilities	<u>503,337</u>

Long-Term Liabilities:

Lease obligations, noncurrent	<u>36,788</u>
Total Liabilities	<u>540,125</u>

Net Assets:

With donor restrictions	251,743
Without donor restrictions	1,835,345
Total net assets	<u>2,087,088</u>
Total Liabilities and Net Assets	<u><u>\$ 2,627,213</u></u>

See accompanying notes to the financial statements.

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Assets without Donor Restrictions:

Revenue and other support:

Grant income	\$ 4,002,365
Contributions	880,357
Program revenue	679,390
In-kind contributions	21,450
Other income	62,231
Net assets released from donor restrictions	293,119
	<u>5,938,912</u>

Expenses:

Program services	4,725,936
Supporting services:	
Management and general	1,065,114
	<u>5,791,050</u>

Increase in net assets without donor restrictions	<u>147,862</u>
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Net Assets with Donor Restrictions:

Contributions	235,500
Net assets released from donor restrictions	<u>(293,119)</u>
Decrease in net assets with donor restrictions	<u>(57,619)</u>

Increase in Net Assets	90,243
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Net Assets, Beginning of Year	<u>1,996,845</u>
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Net Assets, End of Year	<u><u>\$ 2,087,088</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, 2024

	Program	Management and General	Total
Bad debt	\$ -	\$ 75	\$ 75
Communications	11,426	2,670	14,096
Depreciation	-	7,328	7,328
Dues and subscriptions	42,958	2,865	45,823
Education and training	58,936	13,770	72,706
Employee benefits	758,999	177,343	936,342
Insurance	19,977	4,668	24,645
Office expense and other	-	38,285	38,285
Professional services	138,865	58,895	197,760
Rent expense	53,782	12,566	66,348
Salaries and wages	3,136,579	732,875	3,869,454
Student services	481,234	-	481,234
Travel	23,180	13,774	36,954
	<u>\$ 4,725,936</u>	<u>\$ 1,065,114</u>	<u>\$ 5,791,050</u>

See accompanying notes to the financial statements.

JOBS FOR NEVADA'S GRADUATES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:

Increase in net assets	\$ 90,243
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Amortization of intangible lease asset	22,698
Bad debt expense	75
Depreciation expense	7,328
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	151,204
(Increase) decrease in prepaid expenses	(9,112)
(Increase) decrease in other current assets	(3,123)
Increase (decrease) in accounts payable	8,306
Increase (decrease) in accrued expenses	163,426
Increase (decrease) in lease obligations	(23,269)
Increase (decrease) in grants received in advance	(47,811)
Net cash provided by operating activities	<u>359,965</u>
Net Increase in Cash and Cash Equivalents	359,965
Cash and Cash Equivalents, Beginning of Year	<u>1,565,870</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,925,835</u></u>

See accompanying notes to the financial statements.

NOTE 1 – 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.

NOTE 2 – 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.

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 3.

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, 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.

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

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 2 – 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 credit losses 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, 2024, all exchange grant revenue was recognized at a point in time when services were performed.

Revenue from program fees is reported at the 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 2 – 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, 2024, the value of in-kind rent recognized is \$21,450.

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, 2024, the tax years that remain subject to potential examination by taxing authorities begin with 2021.

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 either directly or based on management's estimate of time and effort.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization has \$2,270,175 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 \$1,674,092 and receivables of \$596,083. 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.

JOBS FOR NEVADA'S GRADUATES, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 4 – PROPERTY AND EQUIPMENT

As of June 30, 2024, property and equipment consisted of the following:

Furniture and equipment	\$ 33,345
Less: accumulated depreciation	<u>(33,345)</u>
	<u><u>\$ -</u></u>

Depreciation expense for the year ended June 30, 2024 was \$7,328.

NOTE 5 – 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, 2024:

Subject to expenditure for specified purpose:

and/or passage of time:

Housing	\$ 163,595
Supportive services	44,134
Program	26,627
Career pathways	5,079
Caps and gowns	5,000
Government affairs consultant	2,500
LVHS support	2,307
Career exploration	2,001
Scholarship legacy	<u>500</u>
	<u><u>\$ 251,743</u></u>

As of June 30, 2024, net assets with donor restrictions consisted of cash and cash equivalents of \$251,743.

NOTE 6 – LEASE AGREEMENTS

The Organization was party to two non-cancelable lease agreements for office space during the fiscal year ended June 30, 2024. The non-cancelable operating leases have expirations of March and July 2026 and have rent payments ranging from \$1,570 to \$1,781 per month. For the year ended June 30, 2024, rent expense under these agreements totaled \$66,348, which included \$21,450 of donated use of facilities based on the fair market value of the office space.

JOBS FOR NEVADA'S GRADUATES, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 6 – LEASE AGREEMENTS (Continued)

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

2025	\$ 36,082
2026	35,971
2027	<u>1,666</u>
Total lease payments	73,719
Less: interest	<u>(3,146)</u>
Present value of lease obligations	<u><u>\$ 70,573</u></u>

NOTE 7 – 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, 2024, the Organization paid \$141,082 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 8 – 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, 2024, the Organization incurred expenses of \$42,958 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 9 – CONCENTRATIONS

The Organization received approximately 68% 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 10 – SUBSEQUENT EVENTS

Management of the Organization has evaluated through November 27, 2024, which is the date the financial statements were available to be issued. No additional items require disclosure.