

**HOPELINK OF SOUTHERN NEVADA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**HOPELINK OF SOUTHERN NEVADA  
FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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*Independent Auditor's Report*

To the Board of Directors of  
Hopelink of Southern Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Hopelink of Southern Nevada (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 financial position of Hopelink of Southern Nevada as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 on our consideration of Hopelink of Southern Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Hopelink of Southern Nevada's 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 Hopelink of Southern Nevada's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
December 8, 2020

**HOPELINK OF SOUTHERN NEVADA**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 625,141	\$ 375,287
Certificates of deposit	-	98,186
Grants receivable, net	363,475	115,463
Prepaid expenses	3,713	3,713
In-kind rent pledge receivable	43,748	42,765
Other current assets	846	846
Total current assets	<u>1,036,923</u>	<u>636,260</u>
<b>Property and Equipment, net</b>	561,508	579,682
<b>Other Assets:</b>		
In-kind rent pledge receivable, net of current portion	<u>495,137</u>	<u>511,516</u>
<b>Total Assets</b>	<u><u>\$ 2,093,568</u></u>	<u><u>\$ 1,727,458</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 17,695	\$ 7,595
Accrued expenses	70,102	24,758
Unearned revenue	86,956	-
Current maturities of long-term debt	<u>34,320</u>	<u>-</u>
Total current liabilities	<u>209,073</u>	<u>32,353</u>
<b>Other Liabilities:</b>		
Long-term debt, net of current maturities	<u>131,698</u>	<u>-</u>
<b>Total Liabilities</b>	<u>340,771</u>	<u>32,353</u>
<b>Net Assets:</b>		
Without donor restrictions	1,045,612	940,806
With donor restrictions	<u>707,185</u>	<u>754,299</u>
Total net assets	<u>1,752,797</u>	<u>1,695,105</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 2,093,568</u></u>	<u><u>\$ 1,727,458</u></u>

*See accompanying notes to the financial statements.*

**HOPELINK OF SOUTHERN NEVADA  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Net Assets without Donor Restrictions</b>		
Revenue and other support:		
Grants	\$ 1,789,223	\$ 996,330
Contracts	1,057,417	27,720
Contributions	268,916	173,765
In-kind donations	331,509	204,941
Program income	87,259	54,037
Special events, net of expenses of \$8,531 and \$2,499, respectively	27,768	20,761
Interest income	5,144	4,968
Net assets released from donor restrictions	47,115	45,428
	<u>3,614,351</u>	<u>1,527,950</u>
Expenses:		
Program services	3,105,763	1,402,156
Supporting Services:		
Management and general	331,665	216,071
Fundraising	72,117	45,820
	<u>3,509,545</u>	<u>1,664,047</u>
Increase (decrease) in net assets without donor restrictions	<u>104,806</u>	<u>(136,097)</u>
<b>Net Assets with Donor Restrictions</b>		
Net assets released from donor restrictions	<u>(47,115)</u>	<u>(45,428)</u>
Decrease in net assets with donor restrictions	<u>(47,115)</u>	<u>(45,428)</u>
<b>Increase (Decrease) in Net Assets</b>	57,691	(181,525)
<b>Net Assets, Beginning of Year</b>	<u>1,695,106</u>	<u>1,876,631</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,752,797</u>	<u>\$ 1,695,106</u>

*See accompanying notes to the financial statements.*

**HOPELINK OF SOUTHERN NEVADA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

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	Program Services	Management and General	Fundraising	Total
Client services	\$ 2,040,663	\$ -	\$ -	\$ 2,040,663
Depreciation	22,089	6,695	1,499	30,283
Dues and subscriptions	582	175	42	799
Employee benefits	82,832	25,113	5,625	113,570
Insurance	13,277	4,024	900	18,201
Office expenses	60,264	18,267	4,090	82,621
Other expenses	2,207	669	149	3,025
Payroll taxes	69,178	20,969	4,694	94,841
Professional fees	2,487	9,561	-	12,048
Rent	39,493	11,970	2,682	54,145
Repairs and maintenance	6,836	2,072	464	9,372
Salaries and wages	739,763	224,241	50,204	1,014,208
Telephone	9,704	2,942	658	13,304
Travel and mileage	10,299	3,121	698	14,118
Utilities	6,089	1,846	412	8,347
	<u>\$ 3,105,763</u>	<u>\$ 331,665</u>	<u>\$ 72,117</u>	<u>\$ 3,509,545</u>

*See accompanying notes to the financial statements.*

**HOPELINK OF SOUTHERN NEVADA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

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	Program Services	Management and General	Fundraising	Total
Client services	\$ 724,010	\$ -	\$ -	\$ 724,010
Depreciation	23,115	7,006	1,569	31,690
Dues and subscriptions	422	127	31	580
Insurance	12,586	3,814	853	17,253
Office expenses	33,745	10,229	2,290	46,264
Other expenses	180	54	12	246
Payroll taxes	46,229	14,013	3,137	63,379
Professional fees	2,968	11,412	-	14,380
Rent	31,123	9,434	2,113	42,670
Repairs and maintenance	5,579	1,691	379	7,649
Salaries and wages	503,815	152,719	34,191	690,725
Telephone	7,335	2,223	497	10,055
Travel and mileage	5,314	1,611	360	7,285
Utilities	5,735	1,738	388	7,861
	<u>\$ 1,402,156</u>	<u>\$ 216,071</u>	<u>\$ 45,820</u>	<u>\$ 1,664,047</u>

*See accompanying notes to the financial statements.*

**HOPELINK OF SOUTHERN NEVADA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities:</b>		
Increase (decrease) in net assets	\$ 57,691	\$ (181,526)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	30,283	31,690
In-kind rent pledge receivable	15,396	13,710
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	(248,012)	15,965
Increase (decrease) in accounts payable	10,100	1,111
Increase (decrease) in accrued expenses	45,344	9,103
Increase (decrease) in unearned revenue	86,956	-
Net cash used in operating activities	<u>(2,242)</u>	<u>(109,947)</u>
<b>Cash Flows from Investing Activities:</b>		
Net change in certificates of deposit	98,187	2,948
Purchase of property and equipment	<u>(12,109)</u>	<u>(3,954)</u>
Net cash provided by (used in) investing activities	<u>86,078</u>	<u>(1,006)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from debt borrowings	<u>166,018</u>	<u>-</u>
Net cash provided by financing activities	<u>166,018</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	249,854	(110,953)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>375,287</u>	<u>486,240</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 625,141</u></u>	<u><u>\$ 375,287</u></u>

*See accompanying notes to the financial statements.*

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

This summary of significant accounting policies of Hopelink of Southern Nevada (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 Nevada nonprofit organization established in 1991, currently providing services throughout Clark County. Since its founding, the Organization has worked over the years to expand programs and services to cover a wide variety of community and family needs. The Organization’s mission is to build a better community by preventing homelessness, keeping families intact and promoting self-sufficiency. The two main areas of the agency are Housing and Basic Needs and Family Support Services, which fall under the assistance and education program. Each area has dedicated case managers who work in partnership with individuals and families to address the many areas of needs that clients face. Housing services run the gamut from one night of emergency shelter to up to two years of subsidized housing, with a focus on homelessness prevention and transitional housing for families. Family Support Services works closely in concert with local schools and the child welfare system to prevent abuse and neglect and work to strengthen families in their ability to safely care for all members of the family.

The Organization’s broad range of services include: supportive transitional housing, community education classes in parenting, nutrition, food safety and storage and co-dependency, a food pantry, housing and utility assistance, literacy programs, case management, referrals and links to vital community services, and senior services. Services are provided at the main office at 178 Westminster Way in Henderson and at outreach locations around the valley.

### **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 (GAAP) applicable to not-for-profit organizations, principally Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update (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.

**HOPELINK OF SOUTHERN NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2020 AND 2019**

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**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.

At various times throughout the year, the Organization maintained deposits in financial institutions which exceeded federally insured amounts. The Organization has not experienced any losses in these accounts.

**Grants Receivable**

Grants receivable represent unreimbursed costs and outstanding grant award balances. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. As of June 30, 2020 and 2019, no allowance for doubtful receivables was deemed necessary.

**Property and Equipment**

The Organization capitalizes significant expenditures for property and equipment at cost. Property and equipment that are contributed to the Organization are recorded at the approximate fair value at the date of donation. The Organization has a capitalization threshold of \$500. Depreciation is computed using straight line over the estimated useful lives of the assets.

**Contributed Services, Materials and Facilities**

Contributed services are recognized 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, capitalized in property and equipment, or an increase in inventory.

During the years ended June 30, 2020 and 2019, the Organization received in kind donations of rent, clothing, food, holiday gifts and school supplies of \$331,509 and \$204,941.

In addition, unpaid volunteers donated their time to the Organization. The value of such services has not been reflected in the financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

**Revenue Recognition**

The Organization is supported primarily through grants and contributions.

Grant revenues are recorded as they are earned, according to the provisions of the grant. Normally, grant revenues are earned and received as the grant period progresses. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation.

**HOPELINK OF SOUTHERN NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2020 AND 2019**

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

**Revenue Recognition (Continued)**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 statements of activities as net assets released from donor restrictions.

**Income Taxes**

The Organization has 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.

As defined by ASC Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of June 30, 2020, the tax years that remain subject to potential examination by taxing authorities begin with 2017.

**Advertising**

Advertising costs are expensed as incurred. The Organization did not incur any significant advertising costs as of June 30, 2020 and 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. Expenses are allocated directly for client services. All other expenses are allocated based on management's estimate of time and effort.

**Reclassification**

Certain amounts in the prior financial statements have been reclassified for comparative purposes to conform to the presentation in the current period financial statements.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

As of June 30, 2020 and 2019, the Organization has \$988,616 and \$588,936, respectively, 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 \$625,141 and \$375,287, certificates of deposit of \$0 and \$98,186, and grants receivable of \$363,475 and \$115,463. Contractual or donor imposed restrictions are not available for general expenditure. As part of the Organizations liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**HOPELINK OF SOUTHERN NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2020 AND 2019**

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**NOTE 3 – PROPERTY AND EQUIPMENT**

As of June 30, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Leasehold improvements	\$ 462,377	\$ 457,993
Office equipment	30,570	22,845
Storage unit	13,020	13,020
Supportive housing	400,276	400,276
	<u>906,243</u>	<u>894,134</u>
Less: accumulated depreciation	<u>(344,735)</u>	<u>(314,452)</u>
	<u><u>\$ 561,508</u></u>	<u><u>\$ 579,682</u></u>

For the years ended June 30, 2020 and 2019, depreciation expense totaled \$30,283 and \$31,690, respectively.

**NOTE 4 – NET ASSETS**

**Net Assets without Donor Restrictions**

As of June 30, 2020 and 2019, there were no governing board designations.

**Net Assets with Donor Restrictions**

As of June 30, 2020 and 2019 net assets with donor restrictions were available for the following purposes:

	2020	2019
Donated use of facilities (Note 5)	\$ 538,885	\$ 554,281
Supportive housing	168,300	200,018
	<u>\$ 707,185</u>	<u>\$ 754,299</u>

As of June 30, 2020 and 2019 net assets with donor restrictions consisted of the following:

	2020	2019
In-kind rent pledge receivable	\$ 538,885	\$ 554,281
Property and equipment (supportive housing buildings)	168,300	200,018
	<u>\$ 707,185</u>	<u>\$ 754,299</u>

Supportive housing consists of homes which are rented out to low income individuals. The supportive housing buildings were purchased with funds from the City of Henderson under the Neighborhood Stabilization Program and are considered restricted for a period of fifteen years, through June 2025. If the Organization violates the terms of the grant agreement the houses would be turned over to the City of Henderson. If the Organization were to dispose of these properties prior to the agreed upon time period, the City would need to be reimbursed for the current fair market value of the property less any portion of the value attributable to expenditures of other funds used for improvements to the property.

**HOPELINK OF SOUTHERN NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2020 AND 2019**

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**NOTE 5 – IN-KIND RENT PLEDGE RECEIVABLE**

The Organization has a lease with Presbytery of Nevada, Inc. for the use of building and land until September 30, 2035 at a cost of \$1 per year. The value of this lease, which began in October 2008, was recorded as a pledge receivable for in-kind rent at an initial value of \$634,933 with a 5% discount rate. The pledge is deemed received as the occupancy of the building and land is realized over the life of the lease.

The in-kind rent pledge receivable is summarized as follows at June 30, 2020:

Receivable in less than one year	\$ 40,082
Receivable in one to five years	188,956
Receivable in more than five years	<u>559,254</u>
	788,292
Less: unamortized discount	<u>(249,407)</u>
	538,885
Less: current portion	<u>(43,748)</u>
Long-term in-kind rent pledge receivable	<u><u>\$ 495,137</u></u>

**NOTE 6 – LONG-TERM DEBT**

As of June 30, 2020 long-term debt consisted of the following:

On May 1, 2020, the Organization was granted a loan from a financial institution in the aggregate amount of \$166,018, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan matures on May 1, 2022 and bears interest at a fixed rate of 1% per annum, payable monthly commencing on March 1, 2021. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Organization's intent is to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

	\$ 166,018
Less: current maturities	<u>(34,320)</u>
	<u><u>\$ 131,698</u></u>

**HOPELINK OF SOUTHERN NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**JUNE 30, 2020 AND 2019**

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**NOTE 6 – LONG-TERM DEBT (Continued)**

As of June 30, long-term debt matures as follows:

2021	\$ 34,320
2022	<u>131,698</u>
	<u>\$ 166,018</u>

**NOTE 7 – LEASE AGREEMENT**

The Organization entered into a non-cancelable operating lease agreement for office space beginning May 2020. The non-cancelable operating lease is for 24 months with monthly rent of \$2,676. Rent expense under this agreement was \$8,029 for the year ended June 30, 2020.

Future minimum rental payments are as follows, as of June 30, 2020:

2021	\$ 32,117
2022	<u>26,764</u>
	<u>\$ 58,881</u>

**NOTE 8 – INDIVIDUAL RETIREMENT ACCOUNT (IRA)**

The Organization sponsors an IRA covering qualified employees. Employees who have met the minimum service requirement of six months of continuous employment are eligible to participate in the plan. The Organization will match 100% of all employee contributions up to 3% of the employee's gross salary. The Organization contributed \$16,461 and \$11,842, respectively, for the years ended June 30, 2020 and 2019.

**NOTE 9 - 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 have on the 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 Organization's future financial statements.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 8, 2020, which is the date the financial statements were available to be issued.

## **COMPLIANCE SECTION**

**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 of  
Hopelink of Southern 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 Hopelink of Southern Nevada, (a nonprofit organization) (the Organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2020.

*Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the Organization'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization'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  
December 8, 2020



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Hopelink of Southern Nevada

*Report on Compliance for Each Major Federal Program*

We have audited Hopelink of Southern Nevada's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of The Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Organization's compliance with those requirements.

*Opinion on Each Major Federal Program*

In our opinion, The Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

*Report on Internal Control over Compliance*

Management of The Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.



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*A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
December 8, 2020

**HOPELINK OF SOUTHERN NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS- THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>PASSED THROUGH TO SUBRECIPIENTS</b>	<b>FEDERAL EXPENDITURES</b>
<b>U.S. Department of Agriculture</b>				
Passed through Three Square:				
Emergency Food Assistance Program (TEFAP - Food Commodities)*	10.569		\$ -	\$ 125,931
Total Food Distribution Cluster				125,931
<b>U.S. Department of Housing and Urban Development</b>				
Passed through the City of Henderson:				
Community Block Grant (CDBG)	14.218	1905	-	45,000
Total CDBG - Entitlement Grants Cluster				45,000
Passed through the Clark County Dept. of Social Service:				
Emergency Solutions Grant Program (ESG)	14.231	E-19-UC-32-0001	-	41,195
Continuum of Care Program	14.267		-	723,139
<b>U.S. Department of Health and Human Services</b>				
Passed through the Nevada Dept. of Health and Human Services Office of Community Partnerships and Grants:				
Social Services Block Grant (Title XX)	93.667	1041	-	114,911
<b>U.S. Department of Homeland Security</b>				
Passed through United Way Worldwide:				
Emergency Food and Shelter National Board Program	97.024	586800-025	-	132,511
Total Expenditures of Federal Awards			\$ -	\$ 1,182,687

**HOPELINK OF SOUTHERN NEVADA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

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

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Hopelink of Southern Nevada (the Organization) under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

**HOPELINK OF SOUTHERN NEVADA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2020**

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_\_\_ yes        x   no

Significant deficiencies identified?

\_\_\_\_\_ yes        x   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes        x   no

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified?

\_\_\_\_\_ yes        x   no

Significant deficiencies identified?

\_\_\_\_\_ yes        x   none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes        x   no

Identification of major federal programs:

CFDA Number                      Name of Federal Program or Cluster:

14.267                      Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes        x   no

**HOPELINK OF SOUTHERN NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
YEAR ENDED JUNE 30, 2020**

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**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

None reported.