

HOPELINK OF SOUTHERN NEVADA
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**HOPELINK OF SOUTHERN NEVADA
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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, 2021 and 2020, 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 February 16, 2022 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
February 16, 2022

HOPELINK OF SOUTHERN NEVADA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 869,732	\$ 625,141
Grants receivable, net	337,473	363,475
Prepaid expenses	16,783	3,713
In-kind rent pledge receivable	44,754	43,748
Other current assets	1,818	846
Total current assets	1,270,560	1,036,923
Property and Equipment, net	538,414	561,508
Other Assets:		
In-kind rent pledge receivable, net of current portion	476,942	495,137
Total Assets	\$ 2,285,916	\$ 2,093,568
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 3,984	\$ 17,695
Accrued expenses	117,783	70,102
Unearned revenue	225,938	86,956
Current maturities of long-term debt	-	34,320
Total current liabilities	347,705	209,073
Other Liabilities:		
Long-term debt, net of current maturities	-	131,698
Total Liabilities	347,705	340,771
Net Assets:		
Without donor restrictions	1,217,452	1,045,612
With donor restrictions	720,759	707,185
Total net assets	1,938,211	1,752,797
Total Liabilities and Net Assets	\$ 2,285,916	\$ 2,093,568

See accompanying notes to the financial statements.

**HOPELINK OF SOUTHERN NEVADA
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Net Assets without Donor Restrictions		
Revenue and other support:		
Grants	\$ 5,849,132	\$ 1,789,223
Contracts	2,180,026	1,057,417
Contributions	299,524	268,916
In-kind donations	143,786	331,509
Program income	84,632	87,259
Special events, net of expenses of \$40,675 and \$8,531, respectively	22,266	27,768
Interest income	398	5,144
Net assets released from donor restrictions	59,686	47,115
	<u>8,639,450</u>	<u>3,614,351</u>
Expenses:		
Program services	7,973,221	3,105,763
Supporting Services:		
Management and general	482,036	331,667
Fundraising	102,834	72,115
	<u>8,558,091</u>	<u>3,509,545</u>
Other income:		
Gain on extinguishment of debt	90,481	-
Increase in net assets without donor restrictions	<u>171,840</u>	<u>104,806</u>
Net Assets with Donor Restrictions		
Contributions	73,260	-
Net assets released from donor restrictions	<u>(59,686)</u>	<u>(47,115)</u>
Increase (decrease) in net assets with donor restrictions	<u>13,574</u>	<u>(47,115)</u>
Increase in Net Assets	185,414	57,691
Net Assets, Beginning of Year	<u>1,752,797</u>	<u>1,695,106</u>
Net Assets, End of Year	<u>\$ 1,938,211</u>	<u>\$ 1,752,797</u>

See accompanying notes to the financial statements.

HOPELINK OF SOUTHERN NEVADA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Client services	\$ 6,452,488	\$ -	\$ -	\$ 6,452,488
Depreciation	23,557	7,140	1,598	32,295
Employee benefits	110,023	33,356	7,472	150,851
Insurance	27,118	8,219	1,838	37,175
Interest	-	1,555	-	1,555
Office expenses and other	89,163	27,028	6,052	122,243
Payroll taxes	92,012	27,891	6,244	126,147
Professional fees	5,509	21,177	-	26,686
Rent	58,937	17,864	4,002	80,803
Repairs and maintenance	2,923	886	199	4,008
Salaries and wages	1,080,601	327,558	73,335	1,481,494
Telephone	12,628	3,827	856	17,311
Travel and mileage	13,477	4,085	914	18,476
Utilities	4,785	1,450	324	6,559
	<u>\$ 7,973,221</u>	<u>\$ 482,036</u>	<u>\$ 102,834</u>	<u>\$ 8,558,091</u>

See accompanying notes to the financial statements.

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

	Program Services	Management and General	Fundraising	Total
Client services	\$ 2,040,663	\$ -	\$ -	\$ 2,040,663
Depreciation	22,089	6,695	1,499	30,283
Employee benefits	82,832	25,113	5,625	113,570
Insurance	13,277	4,024	900	18,201
Office expenses and other	63,053	19,113	4,279	86,445
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>\$ 331,667</u>	<u>\$ 72,115</u>	<u>\$ 3,509,545</u>

See accompanying notes to the financial statements.

HOPELINK OF SOUTHERN NEVADA
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 185,414	\$ 57,691
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,295	30,283
Gain on extinguishment of debt	(90,481)	-
In-kind rent pledge receivable	17,189	15,396
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	26,002	(248,012)
Increase (decrease) in accounts payable	(13,711)	10,100
Increase (decrease) in accrued expenses	47,681	45,344
Increase (decrease) in unearned revenue	138,982	86,956
Net cash provided by (used in) operating activities	<u>329,329</u>	<u>(2,242)</u>
Cash Flows from Investing Activities:		
Net change in certificates of deposit	-	98,187
Purchase of property and equipment	(9,200)	(12,109)
Net cash provided by (used in) investing activities	<u>(9,200)</u>	<u>86,078</u>
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	-	166,018
Principal payments on debt	(75,538)	-
Net cash provided by (used in) financing activities	<u>(75,538)</u>	<u>166,018</u>
Net Change in Cash and Cash Equivalents	244,591	249,854
Cash and Cash Equivalents, Beginning of Year	<u>625,141</u>	<u>375,287</u>
Cash and Cash Equivalents, End of Year	<u>\$ 869,732</u>	<u>\$ 625,141</u>
<u>Supplemental disclosure of cash flow information:</u>		
Interest paid	<u>\$ 1,555</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 entity 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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 and 2020, the Organization received in kind donations of rent, clothing, food, holiday gifts and school supplies of \$143,786 and \$331,509, respectively.

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.

Beginning in 2014, the Financial Accounting Standards Board ("FASB") issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries ("Topic 606"). The Organization adopted Topic 606 at the beginning of the year ended June 30, 2021 using the modified retrospective method. The timing and amount of revenue recognized was not impacted by the adoption of Topic 606.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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.

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. As of June 30, 2021, all exchange grant revenue was recognized at a point in time when services are performed.

Program revenue is recognized at a point in time when services are performed and payment becomes receivable upon service completion.

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

Advertising

Advertising costs are expensed as incurred. The Organization did not incur any significant advertising costs as of June 30, 2021 and 2020.

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 and interest. All other expenses are allocated based on management's estimate of time and effort.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on net income.

Recent Accounting 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.

NOTE 2 – LIQUIDITY AND AVAILABILITY

As of June 30, 2021 and 2020, the Organization has \$1,145,977 and \$988,616, 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 \$808,504 and \$625,141, and grants receivable of \$337,473 and \$363,475. 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.

NOTE 3 – PROPERTY AND EQUIPMENT

As of June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Leasehold improvements	\$ 462,377	\$ 462,377
Office equipment	39,771	30,570
Storage unit	13,020	13,020
Supportive housing	400,276	400,276
	<u>915,444</u>	<u>906,243</u>
Less: accumulated depreciation	<u>(377,030)</u>	<u>(344,735)</u>
	<u>\$ 538,414</u>	<u>\$ 561,508</u>

For the years ended June 30, 2021 and 2020, depreciation expense totaled \$32,295 and \$30,283, respectively.

NOTE 4 – NET ASSETS

Net Assets without Donor Restrictions

As of June 30, 2021 and 2020, there were no governing board designations.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021 AND 2020

NOTE 4 – NET ASSETS (Continued)

Net Assets with Donor Restrictions

As of June 30, 2021 and 2020 net assets with donor restrictions were available for the following purposes:

	<u>2021</u>	<u>2020</u>
Community services	\$ 61,228	\$ -
Donated use of facilities (Note 5)	521,696	538,885
Supportive housing	<u>137,835</u>	<u>168,300</u>
	<u>\$ 720,759</u>	<u>\$ 707,185</u>

As of June 30, 2021 and 2020 net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 61,228	\$ -
In-kind rent pledge receivables	521,696	538,885
Property and equipment (supportive housing buildings)	<u>137,835</u>	<u>168,300</u>
	<u>\$ 720,759</u>	<u>\$ 707,185</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.

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.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021 AND 2020

NOTE 5 – IN-KIND RENT PLEDGE RECEIVABLE (Continued)

The in-kind rent pledge receivable is summarized as follows at June 30, 2021:

Receivable in less than one year	\$ 41,004
Receivable in one to five years	197,409
Receivable in more than five years	<u>506,131</u>
	744,544
Less: unamortized discount	<u>(222,848)</u>
	521,696
Less: current portion	<u>(44,754)</u>
Long-term in-kind rent pledge receivable	<u><u>\$ 476,942</u></u>

NOTE 6 – PAYROLL PROTECTION PROGRAM

On May 1, 2020, the Organization was granted a loan from a financial institution in the aggregate amount of \$166,018, pursuant to the Payroll 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. Funds from the loans are restricted for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. As of June 31, 2020, the loan had a balance of \$166,018 with \$34,320 of that deemed as current. During the year ended June 31, 2021, the Organization received forgiveness from the Small Business Administration in the amount of \$89,667. The amount forgiven is included in current year grant revenue. The rest of the \$77,093 was deemed unforgivable and was therefore, paid in full during the fiscal year.

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 for the years ended June 30, 2021 and 2020 was \$32,398 and \$8,029, respectively.

Future minimum rental payments for the year ending June 30, 2022 is \$27,701.

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 \$22,849 and \$16,461, respectively, for the years ended June 30, 2021 and 2020.

HOPELINK OF SOUTHERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021 AND 2020

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 February 16, 2022, which is the date the financial statements were available to be issued. No additional events were identified that would require additional disclosure.

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, 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, and have issued our report thereon dated February 16, 2022.

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
February 16, 2022



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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, 2021. 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, 2021.

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
February 16, 2022

**HOPELINK OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Agriculture				
Emergency Food Assistance Program (TEFAP - Food Commodities)*	10.569		\$ -	\$ 34,515
Total Food Distribution Cluster			<u>-</u>	<u>34,515</u>
U.S. Department of Housing and Urban Development				
Passed through the City of Henderson:				
Community Development Block Grant (CDBG)	14.218	1905	-	26,475
COVID-19 Community Development Block Grant (CDBG)	14.218	1905	-	56,335
Passed through the Clark County Department of Social Service:				
Community Development Block Grant (CDBG)	14.218		-	6,009
Total CDBG - Entitlement Grants Cluster			<u>-</u>	<u>88,819</u>
COVID-19 Continuum of Care Program	14.267		<u>-</u>	<u>724,975</u>
U.S. Department of the Treasury				
Passed through Three Square:				
COVID-19 Coronavirus Relief Fund	21.019		-	42,003
Passed through the City of Henderson				
COVID-19 Coronavirus Relief Fund	21.019		-	1,000,000
Passed through the Clark County Department of Social Service:				
COVID-19 Coronavirus Relief Fund	21.019		-	3,176,145
Total CFDA 21.019			<u>-</u>	<u>4,218,148</u>
U.S. Department of Health and Human Services				
Passed through the Nevada Department of Health and				
Human Services Office of Community Partnerships and Grants:				
Social Services Block Grant (Title XX)	93.667	1041	<u>-</u>	<u>114,911</u>
U.S. Department of Homeland Security				
Passed through United Way Worldwide:				
Emergency Food and Shelter National Board Program	97.024	586800-025	<u>-</u>	<u>166,601</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 5,347,970</u>

* The amount of noncash expenditures reported on the schedule above is the value of the food commodities distributed by the Organization during the current year and priced as prescribed by the U.S. Department of Agriculture.

**HOPELINK OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
YEAR ENDED JUNE 30, 2021**

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, 2021. 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, 2021**

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster:</u>
21.019	COVID-19 Coronavirus Relief Fund

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, 2021**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

**SCHEDULE OF PRIOR FINDINGS
AND QUESTIONED COSTS**

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

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 PRIOR FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.