

# *Nevada Partnership for Homeless Youth*

Financial Statements for the Year Ended June 30, 2022 and Independent Auditor's Report

The logo for HRC (Homeless Relief Center) is located in the bottom right corner. It consists of a dark blue square with a white border, containing the letters "HRC" in white, bold, sans-serif font.

HRC

# NEVADA PARTNERSHIP FOR HOMELESS YOUTH

## TABLE OF CONTENTS

	<b>Page</b>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
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 <i>GOVERNMENT AUDITING STANDARDS</i>	15-16
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	17-19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	20
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	21
SCHEDULE OF FINDINGS AND QUESTION COSTS	22
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	23

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Nevada Partnership for Homeless Youth  
Las Vegas, Nevada

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Nevada Partnership for Homeless Youth (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 present fairly, in all material respects, the financial position of Nevada Partnership for Homeless Youth as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Nevada Partnership for Homeless Youth 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 Nevada Partnership for Homeless Youth'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 and *Government 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 and *Government 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 Nevada Partnership for Homeless Youth'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 Nevada Partnership for Homeless Youth'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.

### ***Supplementary Information***

Our audit was 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* and Title 45 U.S. *Code of Federal Regulations* Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS 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 audit 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 schedule of expenditures of federal awards 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 January 19, 2023, on our consideration of Nevada Partnership for Homeless Youth'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 Nevada Partnership for Homeless Youth'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 Nevada Partnership for Homeless Youth's internal control over financial reporting and compliance.

*Houldsworth, Russo & Company, P.C.*

Las Vegas, Nevada  
January 19, 2023

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	606,890
Cash and cash equivalents, restricted		661,336
Grants receivable		499,597
Pledges receivable		62,500
Other receivable		1,676
Gift card inventory		68,721
Food and supplies inventory		31,584
Prepaid expenses		16,939
Deposits		4,700
		1,953,943

OTHER ASSETS

Cash and cash equivalents, restricted for housing		427,583
Property and equipment, net		3,205,395
		\$ 5,586,921

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	331,063
Accrued expenses		119,316
Client savings payable		4,556
Security deposits		500
		455,435

NET ASSETS

Without donor restrictions		2,957,841
With donor restrictions		2,173,645
		5,131,486
		\$ 5,586,921

See accompanying notes to financial statements

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue, gains, and other support:

Contributions and grants	\$ 588,009
Government grants	1,825,202
In-kind contributions	427,701
Other income	11,683
Net assets released from restrictions	190,284

3,042,879

Expenses and losses:

Program services:

Emergency Services	464,710
Housing	958,771
Drop-in Center	1,080,726
Street Outreach	271,095

Supporting services:

Management and general	399,545
Fundraising	165,490

3,340,337

Net change in net assets without donor restrictions (297,458)

NET ASSETS WITH DONOR RESTRICTIONS

Contributions	734,458
Net assets released from restrictions	(190,284)

Net change in net assets with donor restrictions 544,174

NET CHANGE IN NET ASSETS 246,716

NET ASSETS, BEGINNING OF YEAR 4,884,770

NET ASSETS, END OF YEAR \$ 5,131,486

See accompanying notes to financial statements

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services				Program Total	Supporting Services		Total
	Emergency Services	Housing	Drop-in Center	Street Outreach		Management and General	Fundraising	
Salaries	\$ 341,275	\$ 465,117	\$ 281,244	\$ 155,827	\$ 1,243,463	\$ 199,471	\$ 132,664	\$ 1,575,598
Payroll taxes	29,406	40,077	24,234	13,427	107,144	17,187	11,431	135,762
Employee benefits	25,720	35,054	21,196	11,744	93,714	15,033	9,999	118,746
Accounting fees	-	-	-	-	-	77,558	-	77,558
Advertising, marketing and public relations	-	-	-	-	-	24,030	-	24,030
Bank fees	-	-	-	-	-	11,946	-	11,946
Depreciation	9,129	62,549	25,201	-	96,879	4,327	4,326	105,532
Insurance	5,641	38,654	15,574	-	59,869	2,674	2,674	65,217
Meetings and seminars	3,017	4,112	2,486	1,377	10,992	1,763	1,173	13,928
Occupancy	1,909	13,077	5,269	-	20,255	905	904	22,064
Office	4,175	5,690	3,440	1,906	15,211	2,440	1,623	19,274
Outside services	-	-	-	-	-	41,164	-	41,164
Printing and postage	1,791	2,441	1,476	818	6,526	1,047	696	8,269
	<u>422,063</u>	<u>666,771</u>	<u>380,120</u>	<u>185,099</u>	<u>1,654,053</u>	<u>399,545</u>	<u>165,490</u>	<u>2,219,088</u>
Direct client expenses:								
Food and clothing	11,000	81,130	28,758	52,969	173,857	-	-	173,857
Lodging	6,801	47,287	278,210	-	332,298	-	-	332,298
Services	17,594	70,706	145,958	3,157	237,415	-	-	237,415
Supplies	7,252	92,877	247,680	29,870	377,679	-	-	377,679
	<u>42,647</u>	<u>292,000</u>	<u>700,606</u>	<u>85,996</u>	<u>1,121,249</u>	<u>-</u>	<u>-</u>	<u>1,121,249</u>
Total expenses	<u>\$ 464,710</u>	<u>\$ 958,771</u>	<u>\$ 1,080,726</u>	<u>\$ 271,095</u>	<u>\$ 2,775,302</u>	<u>\$ 399,545</u>	<u>\$ 165,490</u>	<u>\$ 3,340,337</u>

See accompanying notes to financial statements



**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net change in net assets	\$ 246,716
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	105,532
(Increase) decrease in operating assets:	
Grants receivable	(429,588)
Pledges receivable	34,137
Other receivable	(1,676)
Gift card inventory	2,025
Food and supplies inventory	2,985
Prepaid expenses	15,462
Deposits	(1,100)
Increase (decrease) in operating liabilities:	
Accounts payable	283,577
Accrued expenses	(29,224)
Client savings payable	2,939
Security deposits	(2,000)
Net cash provided by operating activities	<u>229,785</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(700,285)</u>
Net cash used in investing activities	<u>(700,285)</u>
<b>NET CHANGE IN CASH</b>	<b>(470,500)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,166,309</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 1,695,809</u></b>
<b>SUMMARY OF CASH ACCOUNTS</b>	
Cash and cash equivalents	\$ 606,890
Cash and cash equivalents, restricted, current	661,336
Cash and cash equivalents, restricted for housing	<u>427,583</u>
	<u>\$ 1,695,809</u>
<b>SUPPLEMENTAL DISCLOSURE</b>	
Noncash investing and financing activities	
Property and equipment purchased through accounts payable	<u>\$ 277,439</u>

See accompanying notes to financial statements

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities* – Nevada Partnership for Homeless Youth (the Organization) was organized as a nonprofit Nevada corporation in December 2000. The Organization provides special services including food and shelter, and acts as an advocate for homeless youth in Nevada. The Organization’s support comes primarily from government grants and corporate donations. Nevada Partnership for Homeless Youth receives donations primarily from donors in the Southern Nevada region and provides services to those residing in the Southern Nevada region.

The Safe Place Emergency Services program is designed to provide immediate help for young people under the age of 18 who are experiencing a crisis situation. The children are given snacks, moved to a secure location, and a Nevada Partnership for Homeless Youth shelter provider is called to transport the child to safety.

The Housing program is designed for youth who are experiencing conflicts at home, but do not have extensive needs requiring institutionalization. Unaccompanied minors between the ages of 16 and 18 are eligible to live in one of the Organization’s condominium units if they are attending school and/or working full time. Youth are assigned a case manager and given funding for food, clothing, and school expenses. Upon completion of high school, youth are given full-time employment opportunities and helped to make the transition to adulthood in self-sufficient, self-sustaining ways.

The Safe Place Drop-in Center is the only full-service drop-in center in Nevada. It offers onsite counseling, a small library, a shower, food pantry, clothing closet, respite room, classroom, and personal business station for youth.

The Street Outreach program finds youth living on the streets and places them in leased apartments or helps pay for emergency overnight shelter. Supplies are distributed to the street teens and tickets back to their home city are provided. The program also provides assistance to youth at Safe Place sites. Upon arrival, a licensed professional provides basic medical care, if necessary, and transportation to an appropriate shelter location for the youth.

*Basis of Accounting* – The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Basis of Presentation* – The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Organization is required to report information regarding its financial position and changes in financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

*Use of Estimates* – Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect certain reported amounts, some of which may require revision in future periods.

*Income Tax Status* – The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash and Cash Equivalents*** – For purposes of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

***Receivables*** – Receivables are stated at the amount that management expects to collect from outstanding balances. It is the Organization’s policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management considers all receivables to be collectible within one year at June 30, 2022.

***Inventory*** – Inventory is comprised of food, supplies, and gift cards that the Organization holds in their facilities for disbursement to clients. The Organization values inventory at estimated fair value at the time of contribution or cost at the time of purchase.

***Donated Assets and Services*** – Donated marketable securities and other noncash donations are recorded as in-kind contributions at their estimated fair value at the date of donation.

The Organization records the fair value of donated materials, supplies, and services as revenue in the accompanying statement of activities and as either an expense in the same statement or as an asset in the accompanying statement of financial position, depending on the nature of the contribution, in accordance with FASB ASC (See Note 9).

***Property and Equipment*** – The Organization capitalizes all expenditures for property and equipment that have a useful life of over one year and have a cost in excess of \$1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset, which is 5 to 7 years for equipment and vehicles, 10 to 15 years for land improvements and 30 years for buildings.

***Impairment of Long-Lived Assets*** – The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

***Advertising, Marketing and Public Relations*** – The Organization uses advertising, marketing and public relations to promote its programs among the audiences it serves. The costs of marketing and public relations are expensed as incurred.

***Revenue Recognition*** – The Organization accounts for contributions in accordance with the FASB ASC. Accordingly, contributions are recognized as revenue when they are received or unconditionally pledged at their estimated net realizable value. Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Client Savings Payable* – Client savings payable represents monies held for the Organization’s clients in a custodial capacity.

*Functional Allocation of Expense* – The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited.

The following expenses were directly allocated by function based on the nature of the expense: accounting fees, advertising, marketing and public relations, bank fees, outside services and direct client expenses.

The following expenses were allocated on the basis of employee time and effort: salaries, payroll taxes, employee benefits, meetings and seminars, office, and printing and postage.

The following expenses were allocated on the basis of the square footage allocation: depreciation and insurance.

The following expense was allocated on the basis of a combination of direct allocation and square footage: occupancy.

*New Accounting Pronouncement* – During the year ended June 30, 2022, the Organization adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021 and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization included its implementation of the standard in Note 8. The adoption of this ASU had no effect on the balance of net assets.

*Date of Management’s Review* – Subsequent events have been evaluated through January 19, 2023, which is the date the financial statements were available to be issued.

**2. ESTIMATES**

The Organization received significant amounts of donated clothing, food, household and other supplies, which is recognized as in-kind revenue and a related expense, or inventory until disbursed. The valuation of these in-kind goods is a significant estimate. The valuation of these supplies is based upon comparability data of similar items at their selling price.

The Organization also used estimates to allocate expenses by function. Our estimate of the functional expense allocation is based upon salary and square footage allocations. The salary allocation is determined based on how much time each employee spends working in each function. The square footage allocation is based on how much space each department occupies related to each function.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**3. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY**

The Organization receives program and contribution revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization’s financial assets as of June 30, 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

Cash and cash equivalents	\$	1,695,809
Grants receivable		499,597
Pledges receivable		62,500
Other receivable		1,676
Less: cash restricted for long term purposes		(427,583)
Less: client savings payable		<u>(4,556)</u>
 Financial assets available to meet cash needs for general expenditures within one year		 <u>\$ 1,827,443</u>

**4. CONCENTRATION OF RISK**

The Organization maintains cash balances in one banking institution located in Nevada. The amounts held are insured up to the Federal Deposit Insurance Corporation (“FDIC”) insurance limit of \$250,000. At June 30, 2022, the uninsured balance totaled \$1,493,672.

**5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2022:

Buildings and improvements	\$	2,449,971
Computers and software		25,779
Equipment		179,931
Furniture		29,243
Land and land improvements		861,061
Vehicles		84,565
Leasehold improvements		2,060
Construction in progress		<u>651,464</u>
		4,284,074
Less: accumulated depreciation		<u>(1,078,679)</u>
		<u>\$ 3,205,395</u>

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**6. RESTRICTIONS ON PROPERTIES**

The Organization obtained federal grants passed through Clark County, the State of Nevada, and the City of Henderson to purchase nine properties for its programs from 2006 through 2016. Under the various grant agreements, the Organization is required to use the properties for its programs for periods ranging from 10 years to indefinitely, or repay the grant funds, resulting in time restrictions for the total amounts received. As such, Clark County, the State of Nevada, and the City of Henderson will retain an interest in the properties through a Trust Deed until the restrictions expire. The restrictions on the properties are released over time when the time period is specified by the grantor.

In accordance with FASB ASC, in the absence of explicit donor restrictions to the contrary, capital assets purchased with restricted contributions should be released when those capital assets are placed in service.

**7. OPERATING LEASE**

The Organization has three non-cancelable operating leases for office equipment with payments of \$130, \$143 and \$177 monthly which expire in June 2022, February 2025 and January 2027, respectively. The Organization also leases a vehicle at \$650 a month through August 2022.

Future minimum lease payments are as follows:

2023	\$	5,129
2024		3,829
2025		3,403
2026		2,124
2027		<u>1,239</u>
	\$	<u>15,724</u>

Lease expense during the year ended June 30, 2022 totaled \$14,079.

**8. DONATED GOODS AND SERVICES**

The Organization's in-kind contributions consisted of the following as of June 30, 2022:

Category	Usage		
Clothing	Drop-in Center	\$	183,629
Food	Drop-in Center		49,488
Supplies	Drop-in Center		115,522
Household and other	Drop-in Center		48,248
Gift cards	Drop-in Center		<u>30,814</u>
		\$	<u>427,701</u>

Clothing, food, supplies, household and other were all valued at the estimated purchase price for similar items. Gift cards were valued at the cash value of the card. All donated services and goods were utilized by the Organization.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**8. DONATED GOODS AND SERVICES (CONTINUED)**

A substantial number of volunteers have made significant contributions of time to assist the Organization's services and programs. No amounts have been recognized in the financial statements because the criteria for recognition under FASB ASC have not been met.

Donated food, clothing, supplies, and gift cards are recorded as in-kind donation revenues and tracked for inventory purposes. These items are expensed as used by clients during the period and are reported on the statement of functional expenses.

**9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2022 consist of the following:

Affordable housing	\$ 1,022,226
Housing expansion	611
Property retrofit	327,583
Housing/rental assistance	1,550
New housing	100,000
Community reinvestment	17,958
Scholarships	31,052
Financial literacy and assistance	15,475
Specific personnel	58,915
Operational enhancements	207,444
Community summit on homelessness	31,753
Food and pantry	31,215
Education supplies	6,805
Drop In Center renovation	19,111
Workforce development	1,284
Youth leadership	5,413
Nighttime model	165,000
Emergency shelter	16,000
LGBTQ youth	2,750
Program supplies	49,000
Time restricted	<u>62,500</u>
	<u>\$ 2,173,645</u>

The Organization's net assets with donor restrictions at June 30, 2022 are held as follows:

Cash and cash equivalents	\$ 1,088,919
Pledges receivable	62,500
Land	235,401
Buildings and improvements	<u>786,825</u>
	<u>\$ 2,173,645</u>

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**9. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time for the year end June 30, 2022, as follows:

Scholarships	\$	500
Financial literacy and assistance		1,000
Specific personnel		35,589
Community summit on homelessness		10,855
Food and pantry		485
Education supplies		550
Workforce development		1,716
Youth leadership		19,446
Outreach		40,000
Technology		17,812
Expiration of time		<u>62,331</u>
	<u>\$</u>	<u>190,284</u>

**10. RELATED PARTIES**

The Organization's Board of Directors members are active in both the oversight of the Organization and its various fundraising events. Contributions received from Board of Directors members were approximately \$370,274 for the year ended June 30, 2022.

**11. EMPLOYMENT AGREEMENT**

On January 1, 2022, the Organization entered into a new employment agreement with its Executive Director. The agreement, which supersedes any previous agreements, is effective through December 31, 2024, after which, at January 1st of each year, the agreement shall be automatically extended for one additional year unless either party notifies the other that the agreement should terminate. This contract can be terminated with 30 days' notice.

This agreement includes an annual base salary and bonus of a minimum of 25% of the base salary, contributions to a 403(b) plan, a monthly car allowance and a bonus of \$30,000, if the employee remains employed through December 31, 2024. The employee is also entitled to all other benefits normally provided.

Under the agreement, the Executive Director agreed to defer a payment due to him under a previous agreement of \$75,000. This amount is included in accrued expenses on the statement of financial position.



**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  
Nevada Partnership for Homeless Youth  
Las Vegas, 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 Nevada Partnership for Homeless Youth (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2022, 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 January 19, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nevada Partnership for Homeless Youth’s internal control over financial reporting (internal control) as a basis for designing 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 Nevada Partnership for Homeless Youth’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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of 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 statements. 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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada  
January 19, 2023

**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  
Nevada Partnership for Homeless Youth  
Las Vegas, Nevada

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Nevada Partnership for Homeless Youth’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Nevada Partnership for Homeless Youth’s major federal programs for the year ended June 30, 2022. Nevada Partnership for Homeless Youth’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nevada Partnership for Homeless Youth complied, in all material respects, with the types of 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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 45 U.S. *Code of Federal Regulations* Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Nevada Partnership for Homeless Youth and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Nevada Partnership for Homeless Youth’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Nevada Partnership for Homeless Youth’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Nevada Partnership for Homeless Youth's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Nevada Partnership for Homeless Youth's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Nevada Partnership for Homeless Youth's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Nevada Partnership for Homeless Youth's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Nevada Partnership for Homeless Youth's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 purpose.

*Houldsworth, Russo & Company, P.C.*

Las Vegas, Nevada

January 19, 2023

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

<u>Grantor and Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Total Federal Expenditures</u>
<b><u>United States Department of Housing &amp; Urban Development</u></b>			
Continuum of Care Program	14.267		\$ 226,210
CDBG - Entitlement Grants Cluster			
<i>Passed through City of Las Vegas:</i>			
Community Development Block Grant	14.218	Not assigned	54,500
<i>Passed through Clark County:</i>			
Community Development Block Grant	14.218	Not assigned	344,403
			398,903
<i>Passed through Clark County:</i>			
Emergency Solutions Grants Program	14.231	Not assigned	63,991
Total Department of Housing & Urban Development			689,104
<b><u>United States Department of Health and Human Services</u></b>			
Basic Center Grant	93.623		58,744
Basic Center Grant	93.623		175,484
			234,228
<i>Passed through Clark County:</i>			
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	93.557	605249-19	17,736
Transitional Living Program	93.550	604673-17	35,127
Transitional Living Program	93.550	604673-17	69,326
			104,453
Total Department of Health and Human Services			356,417
<b><u>Department of Homeland Security</u></b>			
<i>Passed through United Way of Southern Nevada:</i>			
Emergency Food and Shelter National Board Program	97.024	Not assigned	10,000
Total Department of Homeland Security			10,000
Total federal expenditures			\$ 1,055,521

See notes to schedule of expenditures of federal awards

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of Nevada Partnership for Homeless Youth (the Organization) under programs of the federal government for the year ended June 30, 2022. The information in the 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* and Title 45 U.S. *Code of Federal Regulations* Part 75, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for HHS Awards* (Uniform Guidance). Because this schedule only presents a select portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Organization.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards 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.

NOTE 3. INDIRECT COST RATES

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

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

1. The auditor's report expresses an unmodified opinion on the financial statements of the Organization.
2. No instances of material weaknesses or significant deficiencies related to the audit of the financial statements required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

*Federal Awards*

4. No material weaknesses or significant deficiencies related to the audit of major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the Organization expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 45 CFR 75.516 (a).
7. The program tested as a major program was the U.S. Department of Health & Human Services, Basic Center Grant, Assistance Listing Number 93.623.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization did qualify as a low-risk auditee.

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

None.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None.



**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

**PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None.