



Financial Statements  
December 31, 2019

## Nevada Volunteers

# Nevada Volunteers

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December 31, 2019

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## Independent Auditor's Report

To the Board of Directors  
Nevada Volunteers  
Reno, Nevada

### Report on the Financial Statements

We have audited the accompanying statements of the governmental activities and the major fund of Nevada Volunteers as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise Nevada Volunteers' basic financial statements as listed in the table of contents.

### Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to 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 audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 principles used and the reasonableness of significant 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 respective financial position of the governmental activities and major fund of Nevada Volunteers as of December 31, 2019, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Nevada Volunteers financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 and Federal Awards is fairly stated, in all material respects, in relation to the basic 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 August 28, 2020, on our consideration of Nevada Volunteers' 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 Volunteers' 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 Volunteers' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada  
August 28, 2020

The management's discussion and analysis of Nevada Volunteers' financial condition and activities for the fiscal year ended December 31, 2019, is presented in conjunction with the audited financial statements.

Nevada Volunteers selects and administers AmeriCorps State programs in Nevada and is the primary resource center for volunteer and service efforts. Its primary goal is to foster a statewide culture of service and volunteerism. The financial statements reflect the application of various resources toward achieving this goal as well as the status of Nevada Volunteers' assets, liabilities and fund balance at year-end.

### **Financial Highlights**

Based upon the previous fiscal year actual revenue, Nevada Volunteers' 2019 revenue budget remained consistent with previous years as our funding from CNCS is projected to continue at rates from year's past. Year-end revenue allowed Nevada Volunteers to fund initiatives as planned and included.

Highlights of the year include:

- In spring of 2019, we launched NVVolunteerConnect, a free, Nevada-centric platform that matches nonprofit organizations with volunteers searching for service opportunities in their local communities.
- We partnered with UNLV graduate students whose research was used to develop the 2020-2023 Strategic State Service Plan.
- We aligned our annual signature event, the Governor's Points of Light Awards, with National Volunteer Month in April, leveraging a national conversation about volunteerism.
- We collaborated with our nonprofit partners to honor 190 exemplary volunteers across Nevada who received Governor's Volunteer Recognition Certificates from then Governor Brian Sandoval.
- We increased visibility of the impact that Nevada's young adults make in their local communities when we added a new youth category to the Governor's Points of Light Awards.
- We established LeaderCorps, an advisory council comprised of AmeriCorps State and AmeriCorps VISTA members to introduce a statewide day of service and to engage AmeriCorps members with AmeriCorps alumni.
- We funded an additional 34 AmeriCorps members to serve in 13 of Nevada's 17 counties, bringing the total number to 382 members. Through their service, members gained invaluable leadership skills that enhanced public education, the environment, healthy futures for Nevada children and families who list at risk, and economic development.
- We employed a Compliance Coordinator, providing essential programmatic oversight for AmeriCorps Nevada subgrantees, ensuring the highest level of quality and oversight for Nevada Volunteers, subgrantees and programs.

### **Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of Nevada Volunteers' financial condition and performance. Summary

financial statement data, key financial and operational indicators used in Nevada Volunteers' strategic plan, budget, and other management tools were used for this analysis.

Nevada Volunteers uses the modified accrual basis of accounting for financial statement reporting. The financial statements have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The financial statements include a balance sheet; a statement of revenue, expenditures, and changes in fund balance, and notes to the financial statements.

The Statement of Net Position and Governmental Fund Balance Sheet present the financial position of Nevada Volunteers on both the modified accrual basis under the general fund and the full accrual historical cost basis as net position. This statement provides information on Nevada Volunteers' assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of Nevada Volunteers is improving or deteriorating.

The Statement of Net Position and Governmental Fund Balance Sheet provides information about the nature and amount of resources and obligations at year-end. The Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance present the results of the activities over the course of the fiscal year and information as to how the fund balance and net position changed during the year. The fund balance changes under the modified accrual method when revenue is received or the expenditure is made, while changes in net position under the full accrual method are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about Nevada Volunteers' recovery of its costs.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about Nevada Volunteers' accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The financial statements were prepared from the detailed books and records of Nevada Volunteers. The financial statements were audited and adjusted, if material, during the independent external audit process.

### Financial Analysis

The following is a summary of financial position based upon the government-wide financial statements as of December 31:

#### Statement of Net Position

	<u>2019</u>	<u>2018</u>
Current assets	\$ 399,144	\$ 282,536
Capital assets	-	268
	<u>399,144</u>	<u>282,804</u>
 Total liabilities	 <u>299,305</u>	 <u>182,727</u>
 Net investment in capital assets	 -	 268
Unrestricted	<u>99,839</u>	<u>99,809</u>
 Total net position	 <u><u>\$ 99,839</u></u>	 <u><u>\$ 100,077</u></u>

#### Statement of Activities

	<u>2019</u>	<u>2018</u>
Public support	\$ 2,980,734	\$ 2,456,714
Other revenues	<u>361,768</u>	<u>227,731</u>
	<u>3,342,502</u>	<u>2,684,445</u>
 Total expenses	 <u>3,342,740</u>	 <u>2,671,910</u>
 Change in net position	 <u><u>\$ (238)</u></u>	 <u><u>\$ 12,535</u></u>

During the year, the Organizations net position decreased by 3%.

### Changes in Fund Balance and Net Position

The differences between the government-wide net position and the general fund balance are fixed assets.

### Capital Assets and Long-Term Debt

During the year ended December 31, 2019, depreciation expenditure during the year totaled \$268. No long-term debt was incurred during the year ended December 31, 2019.



### **Budgetary Requirements**

The Organization is not required to comply with budgetary requirements, as stated in Nevada Revised Statutes (NRS) 354; therefore, budgetary information is not provided.

### **Economic Factors and Potential Financial Changes in the Future**

The pandemic that our nation experienced in 2020 has challenged each of us to redefine service delivery, processes, and protocols. The Corporation for National and Community Service, which federal agency that provides AmeriCorps funding support, issued updated guidelines that allowed subgrantees to offer members alternative activities, if necessary. For the first time in recent memory, members remain eligible for full or partial education awards if they were unable to complete their total service hours as a result of observing quarantine guidance. CNCS also waived funding match requirements for AmeriCorps State and National cost reimbursement grants that were awarded in FY 2019 and FY 2020, easing a burden on subgrantees and state commissions.

This year also has been a catalyst for Nevada Volunteers to reimagine, influence and advance a new future. Amy Koeckes, University of Nevada, Reno, has stepped into the role of Commission Chairman. The Commission has appointed Zanny Marsh to serve Nevada Volunteers as Executive Director. We will transition our signature volunteer recognition to a virtual celebration to minimize travel and we thank our event sponsors MGM Resorts International, Caesar's Entertainment, NV Energy, Wells Fargo Bank, and Southwest Medical Associates for their unwavering support during this time. Nevada Volunteers will welcome new partners and will fund a substantive percentage of new AmeriCorps members. Together, we will support the next generation of leaders through national service opportunities, contribute to a strong culture of service and volunteerism, and emerge from 2020 with an optimistic vision of cooperation and collaboration.

### **Final Comments**

This financial report is designed to provide the reader with a general overview of Nevada Volunteers' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Zanny Marsh, 639 Isbell Road #220, Reno, Nevada 89509.

Nevada Volunteers  
Statement of Net Position and Governmental Fund Balance Sheet  
December 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current Assets			
Cash	\$ 126,435	\$ -	\$ 126,435
Due from grantors	256,957	-	256,957
Prepaid expenses	15,752	-	15,752
Capital assets, net of accumulated depreciation	-	-	-
Total assets	<u>\$ 399,144</u>	<u>\$ -</u>	<u>\$ 399,144</u>
Liabilities and Fund Balance/Net Position			
Current Liabilities			
Accounts payable	\$ 31,831	\$ -	\$ 31,831
Accrued wages and payroll taxes	18,701	-	18,701
Accrued compensated absences	6,763	-	6,763
Deferred income	22,903	-	22,903
Due to subrecipients	219,107	-	219,107
Total liabilities	<u>299,305</u>	<u>-</u>	<u>299,305</u>
Fund Balance/Net Position			
Fund balance			
Unassigned	<u>99,839</u>	<u>(99,839)</u>	<u>-</u>
Total fund balance	<u>99,839</u>	<u>(99,839)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 399,144</u>		
Net position			
Unrestricted		<u>99,839</u>	<u>99,839</u>
Total net position		<u>\$ 99,839</u>	<u>\$ 99,839</u>

# Nevada Volunteers

## Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balance Year Ended December 31, 2019

	General Fund	Adjustments	Statement of Activities
Expenditures			
Current			
General government			
Salaries	\$ 296,196	\$ -	\$ 296,196
Benefits	94,488	-	94,488
Payments to subrecipients	2,338,222	-	2,338,222
Service and supplies	591,450	-	591,450
State Service plan	22,114	-	22,114
Depreciation	-	270	270
Fundraising	-	-	-
Total expenditures	<u>3,342,470</u>	<u>270</u>	<u>3,342,740</u>
Program Revenue			
Local sources			
Contributions	324,927	-	324,927
Fundraising	2,233	-	2,233
Miscellaneous	34,594	-	34,594
State sources			
State of Nevada	142,747	-	142,747
Federal sources			
Federal grants	<u>2,837,987</u>	<u>-</u>	<u>2,837,987</u>
Total program revenue	3,342,488	-	3,342,488
General Revenue			
Interest income	<u>14</u>	<u>-</u>	<u>14</u>
Total revenue and gains	<u>3,342,502</u>	<u>-</u>	<u>3,342,502</u>
Deficiency of Revenue Under Expenditures/ Change in Net Position	<u>32</u>	<u>(270)</u>	<u>(238)</u>
Fund Balance/Net Position			
Beginning of year	<u>100,077</u>	<u>-</u>	<u>100,077</u>
End of year	<u>\$ 100,109</u>	<u>\$ (270)</u>	<u>\$ 99,839</u>

**Note 1 - Principal Business Activity and Significant Accounting Policies**

**Principal Business Activity**

The Governor of Nevada created Nevada Volunteers (Organization), formerly known as the Nevada Commission for National and Community Service, Inc., from which qualified service programs in the state receive funding from the Corporation for National and Community Service to support AmeriCorps programs. The Organization was a governmental entity from its inception in 1994 until May of 1998 when it became a 501(c)(3) nonprofit corporation. Under current GASB pronouncements, the Organization has been determined to be a public corporation and will be reported on a governmental basis. On September 8, 2007, the Organization voted to change its name from Nevada Commission for National and Community Service, Inc. to Nevada Volunteers in order to broaden the focus and bring more awareness to volunteerism in Nevada. Along with continuing to administer the AmeriCorps programs for the state, the Organization seeks to develop a statewide movement to improve and increase volunteerism and volunteer retention in Nevada. Through an Executive Order of the Governor, the nonprofit corporation was designed to administer programs authorized by the National and Community Service Trust Act of 1993. The members of the Board of Directors (Board) are also commissioners appointed by the Governor. The Organization, through its Board, helps promote an ethic of civic responsibility, solicits applications for funding, selects qualified programs to receive support, and oversees grantees.

The Organization envisions a Nevada where citizens of all ages and backgrounds are given an opportunity to appreciate the value of voluntary and community service; where citizens encourage each other to adopt an ethic of civic responsibility; and where citizens address local concerns and enhance communities through direct action. In Nevada, the Organization seeks to cultivate communities that embrace commitment to the quality of life for others. The Organization does this to ensure that Nevada nurtures and educates all children, protects and enhances neighborhoods, and assists and encourages the disadvantaged to reach out and achieve their highest expectations.

The Organization is considered to be a primary government entity according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. No component units were identified for which the Organization is considered financially accountable under GASB Statement No. 14, as amended.

**Basic Financial Statements – Government-Wide Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### **Basic Financial Statements - Fund Accounting**

The financial transactions of the Organization are reported in the general fund. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The Organization's general fund is a governmental fund type. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance (net current assets) is considered a measure of "available spendable resources." Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period of time.

Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded and an offsetting grants received in advance is established.

### **Basis of Presentation**

The Organization is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB 34 financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB 34 methodology, the government-wide statement of net assets and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Organization has utilized this optional method of presentation.

### **Cash and Cash Equivalents**

For purposes of financial reporting, the Organization considers money market funds and certificates of deposit with original maturities of three months or less to be cash equivalents.

### **Equity Classifications**

In the government-wide financial statements, equity is classified as net position and displayed as follows:

Invested in capital assets – consists of capital assets, net of accumulated depreciation.

Restricted net position – consists of net assets with use constraints by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Board has no items that are considered to be restricted net assets.

Unrestricted net position – all other net assets that do not meet the definition of "invested in capital assets" or "restricted."

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – represents amounts that are either not in a spendable form or are legally or contractually required to remain in-tact, including prepaid expenditures.

Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Organization has no restricted fund balances.

Committed – represents amounts which can be used only for specific purposes determined by the members of the governing Board's formal action through a resolution or action. The Organization has no Committed funds.

Assigned – represents amounts that are intended by the Organization for specific purposes but do not require formal resolution or action and include a policy statement to ensure the ongoing financial integrity of the Organization.

Unassigned – represents all amounts not included in spendable classifications.

The Organization's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis, assigned fund balances are determined based upon available resources.

### **Property and Equipment**

The Organization's policy is to capitalize property and equipment with an estimated useful life of more than one year and a value of more than \$5,000. Property and equipment are recorded at cost or at the estimated fair value at the date of gift if donated. Such gifts of property and equipment are reported as unrestricted unless specific donor stipulations specify how the donated assets must be used.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, currently five years, on a straight-line basis. Maintenance and repairs are charged to expenditure as incurred. Renewals and betterments that materially extend the life of the assets are capitalized.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

### **Revenue Recognition and Deferred Income**

The Organization receives a substantial portion of its revenue from grants administered by the federal government. Revenue from grants is considered earned as services are provided in accordance with the grant terms. The Organization's operations are significantly dependent upon this revenue.

Deferred income represents grant funds received and not spent until subsequent to year end or income received for fundraisers or special events that will not be recognized until subsequent to year end.

### **Donated Services and Advertising**

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Additionally, the Organization receives a significant amount of skilled, contributed time, which does not meet the two recognition criteria above. Accordingly, the value of the contributed time has not been determined and is not reflected in the accompanying financial statements.

Advertising costs consist primarily of costs for the public information campaign and are recorded as an expenditure as incurred as well as donated advertising. Advertising costs, including in-kind contributions totaled \$135,125, for the year ended December 31, 2019.

### **Income Taxes**

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), qualifies for the charitable contribution deduction and has been classified as an organization that normally receives a substantial part of its support from a governmental unit or from the general public as provided in Internal Revenue Code 170(b)(1)(A)(vi). Management annually reviews its tax positions, which are not expected to materially change within the next twelve months and are summarized as follows:

- It has not engaged in activities that would jeopardize its tax-exempt status
- It has not engaged in any activities that would result in unrelated business income tax
- It has determined that there are no material uncertain tax positions that require financial statement recognition

Accordingly, no provision for income taxes has been made. In addition, the Organization does not expect any material change in uncertain tax positions within the next twelve months.

### **Subsequent Events**

Subsequent events have been evaluated through August 28, 2020 which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Subsequent to year-end, the global markets have been impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from the federal government.

### Note 2 - Operating Leases

The Organization entered into an agreement to lease office space in Reno, Nevada through May 31, 2019, with monthly lease payments of \$1,996, including in-kind expenses of \$521 per month. Beginning June 1, 2019, the Organization entered into another agreement to lease office space in the same location through May 31, 2020, with monthly lease payments of \$2,083 per month, including in-kind expenses of \$608 per month. The expenditure recorded in conjunction with the above lease agreement totaled \$31,508 for the year ended December 31, 2019. Additionally, the Organization entered into an agreement for a copy machine through August 2021 with current monthly payments totaling \$469.

Future minimum rental payments on the copier lease above are as follows:

<u>Years Ending December 31,</u>	
2020	5,628
2021	3,752

The expenditure associated with the above copier lease totaled \$5,628 for the year ended December 31, 2019, which is included in the Service and Supplies line item included in the above Statement of Activities.

### Note 3 - Retirement Plan

The Organization sponsors a Simplified Employee Pension Plan (SEP) for eligible employees. All employees working 30 hours or more per week shall be eligible effective the first day of employment. Annual employer contributions of 5% to 15% of employee compensation are determined by the Board of Directors annually. The Organization contributed \$20,190 for the year ended December 31, 2019.



**Note 4 - Related Party Transactions**

The Organization had expenditures valued at \$5,883 all of which was in-kind expenditure, from multiple companies associated with Board members. In addition, the Organization also received \$930 of fundraising revenue and sponsorships from multiple companies associated with Board members.



Compliance Section  
December 31, 2019

## Nevada Volunteers



**Independent Auditors' 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 Volunteers  
Reno, 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 the governmental activities and major fund of Nevada Volunteers as of and for the year ended December 31, 2019, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise Nevada Volunteers' basic financial statements and have issued our report thereon dated August 28, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nevada Volunteers' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nevada Volunteers' internal controls. Accordingly, we do not express an opinion on the effectiveness of Nevada Volunteers' 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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Nevada Volunteers' 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*.

**Nevada Volunteers' Response to Findings**

Nevada Volunteers' response to the findings identified in our audit are described in the accompanying schedule of findings and responses or schedule of findings and questioned costs. Nevada Volunteers' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada  
August 28, 2020



**Independent Auditors' Report on Compliance for the Major Program;  
Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Nevada Volunteers  
Reno, Nevada

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

We have audited Nevada Volunteers' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Nevada Volunteers' major federal program for the year ended December 31, 2019. Nevada Volunteers' major federal program is identified in the summary of auditors' 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 items federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for Nevada Volunteers' major federal program 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about Nevada Volunteers' 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 the major federal program. However, our audit does not provide a legal determination of Nevada Volunteers' compliance.

### Opinion on Each Major Federal Program

In our opinion, Nevada Volunteers 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 December 31, 2019.

### Report on Internal Control over Compliance

Management of Nevada Volunteers 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 Nevada Volunteers' internal control over compliance with the types of requirements that could have a direct and material effect on the 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 Nevada Volunteers' 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 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 purpose.



Reno, Nevada  
August 28, 2020

Nevada Volunteers  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2019

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Grant Period</u>	<u>Pass-Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
<u>Corporation for National and Community Service</u>					
AmeriCorps	9/1/16-8/31/19	16ACHNV001	94.006	\$ 54,934	\$ 54,934
	9/1/16-8/31/19	16AFHNV001	94.006	1,324,945	1,324,945
	9/1/16-8/31/19	18ESHNV001	94.006	512,821	512,821
	9/1/19-8/31/22	19ACHNV001	94.006	90,571	90,571
	9/1/19-8/31/22	19AFHNV001	94.006	290,282	290,282
				<u>2,273,553</u>	<u>2,273,553</u>
State Commissions	1/1/19-12/31/21	19CAHNV001	94.003	244,393	-
Training Assistance	8/1/16-12/31/19	16TAHNV001	94.009	143,984	-
	7/1/19-12/31/21	19TAHNV001	94.009	112,483	-
				<u>256,467</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 2,774,413</u>	<u>\$ 2,273,553</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of Nevada Volunteers (Organization) under programs of the federal government for the year ended December 31, 2019. 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 Nevada Volunteers, it is not intended to and does not present the financial position or changes in net position of Nevada Volunteers.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. 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 Rate**

Nevada Volunteers has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>CFDA Number</u>
AmericCorps	94.006
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

## Section II – Financial Statement Findings

**2019-001: AmeriCorps, CFDA 94.006**  
**Financial Reporting Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial statement reporting. One of the components of an effective system of internal control over financial reporting is the preparation of full disclosure financial statements in accordance with all appropriate GASB statements.

**Condition:** During our audit, as auditors we prepared the financial statements in accordance with generally accepted accounting principles.

*Cause:* Procedures have not been implemented to ensure Organization personnel possess the experience to prepare the Organizations governmental financial statements in accordance with generally accepted accounting principles.

*Effect:* Financial information prepared by the Organization may not comply with governmental financial statements in accordance with generally accepted accounting principles.

*Recommendation:* We understand that the Organization has determined that it is not cost efficient for staff to monitor and adopt all GASB updates. We recommend they continue to provide staff or management with the appropriate skills, knowledge and experience to oversee the services in connection with the preparation of governmental financial statements in accordance with generally accepted accounting principles.

Views of Responsible Officials:	Nevada Volunteers had determined that it is not cost efficient for staff to monitor and adopt all GASB updates during the year due to their size.
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### Section III – Federal Award Findings and Questioned Costs

None reported