

HELP OF SOUTHERN NEVADA
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021



HELP OF SOUTHERN NEVADA

JUNE 30, 2022 AND 2021

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	6-8
CONSOLIDATED STATEMENTS OF CASH FLOWS	9-10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11-25
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	26
CONSOLIDATING STATEMENTS OF ACTIVITIES	27
CONSOLIDATING STATEMENTS OF CASH FLOWS	28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	31-33
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	34-36
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	37
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	38
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	39

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HELP of Southern Nevada
Las Vegas, Nevada

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HELP of Southern Nevada (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 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HELP of Southern Nevada 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 statement 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 Consolidated Financial Statements section of our report. We are required to be independent of HELP of Southern Nevada 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HELP of Southern Nevada's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 HELP of Southern Nevada'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HELP of Southern Nevada'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.

Report on Summarized Comparative Information

We have previously audited HELP of Southern Nevada's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as of and for the year ended June 30, 2022, on pages 25 through 27 and the accompanying schedule of expenditures of federal awards, 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* and Title 45 U.S. *Code of Federal Regulations Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 March 21, 2023 on our consideration of HELP of Southern Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 HELP of Southern Nevada's internal control over financial reporting and compliance.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
March 21, 2023

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash	\$ 660,677	\$ 700,531
Cash, restricted	1,716,001	1,372,419
Investments	3,002,498	4,028,285
Accounts receivable	26,552	32,254
Grants receivable	3,063,419	2,249,714
Pledges receivable, net	33,951	205,473
Notes receivable	310,448	-
Inventory	183,765	120,474
Prepaid expenses	57,708	44,843
	9,055,019	8,753,993
OTHER ASSETS		
Property and equipment, net	11,818,559	12,126,136
Pledges receivable, net	-	582,173
Deposits	145,689	164,607
Notes receivable, net of current maturities	6,374,552	6,685,000
	\$ 27,393,819	\$ 28,311,909
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,498,357	\$ 811,151
Accrued liabilities	848,853	376,841
Notes payable	127,570	1,644,815
Refundable advances	1,007,188	688,111
	3,481,968	3,520,918
LONG-TERM LIABILITIES		
Notes payable, net of current maturities and debt issuance costs	9,758,353	9,862,632
TOTAL LIABILITIES	13,240,321	13,383,550
NET ASSETS		
Without donor restrictions	7,190,676	6,822,218
With donor restrictions	6,962,822	8,106,141
	14,153,498	14,928,359
	\$ 27,393,819	\$ 28,311,909

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NET ASSETS WITHOUT DONOR RESTRICTIONS	2022	2021
Revenue, gains and other support:		
Grants	\$ 23,515,339	\$ 19,770,302
Contributions	1,851,644	6,770,364
Program income	172,180	151,175
Special events, net	54,020	69,633
Investment return, net	-	164,520
Other	84,389	102,163
Gain on forgiveness of debt	1,618,400	-
Net assets released from restrictions	1,616,454	872,108
	28,912,426	27,900,265
Expenses and losses:		
Program services:		
Weatherization Assistance	1,866,748	2,447,274
Workforce Services	2,109,723	1,789,750
Family Housing Services	4,511,584	5,921,849
Adult Housing Programs	5,329,202	5,593,760
Homeless Response Teams	7,589,540	2,982,723
Framing Hope Warehouse	170,437	153,212
Shannon West Homeless Youth Center	2,650,487	2,180,747
Behavioral Health	134,789	-
	24,362,510	21,069,315
Support services:		
Fundraising	853,384	608,445
Management and general	2,429,796	1,662,581
	27,645,690	23,340,341
Investment return, net	898,278	-
	28,543,968	23,340,341
Change in net assets without donor restrictions	368,458	4,559,924
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	-	1,907,500
Contributions	473,135	73,905
Net assets released from restrictions	(1,616,454)	(872,108)
Change in net assets with donor restrictions	(1,143,319)	1,109,297
CHANGE IN NET ASSETS	(774,861)	5,669,221
NET ASSETS AT BEGINNING OF YEAR	14,928,359	9,259,138
NET ASSETS AT END OF YEAR	\$ 14,153,498	\$ 14,928,359

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services			
	Weatherization Assistance	Workforce Services	Family Housing Services	Adult Housing Programs
Salaries	\$ 414,117	\$ 944,261	\$ 1,611,707	\$ 1,648,910
Payroll taxes and related expenses	58,887	123,115	210,513	218,797
Advertising	22,865	-	-	-
Bad debt	-	-	-	-
Contract services	11,458	25,763	38,648	31,898
Depreciation	17,368	9,002	22,058	17,981
Direct client services	-	594,942	825,682	161,809
Dues and awards	813	313	478	96
Framing Hope direct expenses	-	-	-	-
Food and gift card expense	-	17,735	14,156	46,448
Fuel	2,535	11	8,293	17,848
Insurance	17,851	11,420	46,199	67,946
Interest	-	-	-	-
Weatherization materials	1,213,038	-	-	-
Occupancy	4,412	144,440	114,035	16,140
Postage	3,878	563	1,444	926
Printing	1,025	844	612	729
Professional fees	10,004	12,125	30,616	24,581
Property taxes	-	-	-	-
Repairs and maintenance	20,785	73,819	78,798	52,063
Rent and utilities assistance	-	12,542	1,306,265	2,882,574
Supplies	44,761	44,801	77,904	21,924
Telephone	4,941	43,808	28,238	25,039
Training	18,010	7,649	11,543	18,252
Travel assistance	-	35,410	28,760	31,557
Travel	-	7,160	55,635	43,684
	<u>\$ 1,866,748</u>	<u>\$ 2,109,723</u>	<u>\$ 4,511,584</u>	<u>\$ 5,329,202</u>

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services				Total Programs
	Homeless Response Teams	Framing Hope Warehouse	Shannon West Homeless Youth Center	Behavioral Health	
Salaries	\$ 2,051,806	\$ 74,815	\$ 1,330,951	\$ 107,585	\$ 8,184,152
Payroll taxes and related expenses	274,851	8,966	180,039	10,121	1,085,289
Advertising	-	-	50	-	22,915
Bad debt	-	-	-	-	-
Contract services	35,391	1,445	27,477	2,430	174,510
Depreciation	20,032	21,064	245,459	60	353,024
Direct client services	81,188	-	98,958	214	1,762,793
Dues and awards	103	32	590	1,950	4,375
Framing Hope direct expenses	-	12,697	-	-	12,697
Food and gift card expense	2,420	-	195,490	-	276,249
Fuel	23,251	6,708	4,373	-	63,019
Insurance	52,102	9,803	29,210	141	234,672
Interest	-	-	104,874	-	104,874
Weatherization materials	-	-	-	-	1,213,038
Occupancy	48,207	4,574	92,674	109	424,591
Postage	1,249	48	1,012	9	9,129
Printing	2,580	18	450	2	6,260
Professional fees	25,061	2,026	49,779	1,795	155,987
Property taxes	-	-	-	-	-
Repairs and maintenance	102,820	21,284	202,362	318	552,249
Rent and utilities assistance	4,615,663	-	-	-	8,817,044
Supplies	106,824	5,344	46,030	2,206	349,794
Telephone	30,775	1,613	16,821	488	151,723
Training	12,935	-	5,981	7,361	81,731
Travel assistance	33,090	-	9,876	-	138,693
Travel	69,192	-	8,031	-	183,702
	<u>\$ 7,589,540</u>	<u>\$ 170,437</u>	<u>\$ 2,650,487</u>	<u>\$ 134,789</u>	<u>\$ 24,362,510</u>

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	<u>Supporting Services</u>		Special Event Direct Benefits to Donors	2022 Total	2021 Total
	<u>Fundraising</u>	<u>Management and General</u>			
Salaries	\$ 268,938	\$ 1,536,932	\$ -	\$ 9,990,022	\$ 8,152,302
Payroll taxes and related expenses	39,983	161,797	-	1,287,069	1,021,597
Advertising	40	-	-	22,955	9,903
Bad debt	-	552,335	-	552,335	-
Contract services	108,550	39,924	-	322,984	233,872
Depreciation	3,720	5,944	-	362,688	388,586
Direct client services	300,283	-	-	2,063,076	1,226,320
Dues and awards	8,309	20,161	-	32,845	28,331
Framing Hope direct expenses	-	-	-	12,697	18,060
Food and gift card expense	7,702	-	-	283,951	627,328
Fuel	3,363	11	-	66,393	40,394
Insurance	6,995	7,097	-	248,764	209,416
Interest	-	18,981	-	123,855	125,609
Weatherization materials	-	-	-	1,213,038	1,672,039
Occupancy	4,600	2,590	-	431,781	395,303
Postage	439	586	-	10,154	7,569
Printing	1,936	100	-	8,296	6,967
Professional fees	7,802	22,452	36,459	222,700	157,455
Property taxes	-	1,106	-	1,106	47,809
Repairs and maintenance	14,127	3,055	-	569,431	443,324
Rent and utilities assistance	-	-	-	8,817,044	7,733,210
Supplies	70,168	37,061	22,992	480,015	402,896
Telephone	3,958	13,518	-	169,199	115,388
Training	2,252	6,122	-	90,105	61,748
Travel assistance	-	-	-	138,693	84,322
Travel	219	24	-	183,945	150,504
	<u>\$ 853,384</u>	<u>\$ 2,429,796</u>	<u>59,451</u>	<u>27,705,141</u>	<u>23,360,252</u>
Less: direct benefits to donors			<u>(59,451)</u>	<u>(59,451)</u>	<u>(19,911)</u>
			<u>\$ -</u>	<u>\$ 27,645,690</u>	<u>\$ 23,340,341</u>

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (774,861)	\$ 5,669,221
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	362,688	388,586
Amortization of debt issuance costs (interest)	37,894	37,894
Unrealized (gain) loss on investments	1,032,973	(70,470)
Donated investments	-	(5,003,914)
Discount on pledges receivable	(5,767)	2,522
Gain on forgiveness of debt	(1,618,400)	-
(Increase) decrease in operating assets:		
Accounts receivable	5,702	(24,910)
Grants receivable	(813,705)	(173,759)
Pledges receivable	759,462	207,125
Inventory	(63,291)	3,856
Prepaid expenses	(12,865)	(5,219)
Deposits	18,918	(96,755)
Increase (decrease) in operating liabilities:		
Accounts payable	687,206	229,337
Accrued liabilities	472,012	72,443
Refundable advances	319,077	115,201
	407,043	1,351,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	225,162	1,046,099
Purchases of investments	(232,348)	-
Purchases of property and equipment	(55,111)	(2,237,459)
	(62,297)	(1,191,360)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(41,018)	(28,451)
	(41,018)	(28,451)
NET CHANGE IN CASH	303,728	131,347
CASH, BEGINNING OF YEAR	2,072,950	1,941,603
CASH, END OF YEAR	\$ 2,376,678	\$ 2,072,950

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
SUMMARY OF CASH ACCOUNTS		
Cash	\$ 660,677	\$ 700,531
Cash, restricted	1,716,001	1,372,419
	\$ 2,376,678	\$ 2,072,950
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 123,855	\$ 125,609

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

HELP of Southern Nevada (the Organization) is a nonprofit corporation whose mission is to assist families and individuals throughout Southern Nevada to overcome barriers and attain self-sufficiency through direct services, training, and referral to community resources. The Organization is primarily supported through government grants, program fees, and contributions from foundations and the general public. The majority of the Organization's support comes from agencies within the State of Nevada, Clark County, Nevada, and the City of Las Vegas, Nevada. Additionally, the majority of services provided by the Organization are provided to the Southern Nevada community.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Donated Services and Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with FASB ASC, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

Timely preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, some of which may need revision in future periods.

Receivables

Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. It is the Organization's policy to charge off uncollectible accounts and grants receivable when management determines the receivable will not be collected. As of June 30, 2022 and 2021, there were allowances of \$0 and \$0, respectively.

Pledges Receivable

Unconditional pledges are recognized as revenues in the period received. There was no allowance as of June 30, 2022 and 2021, as the pledges were determined to be collectible.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Expenses that can be directly allocated to one of the programs or supporting functions include advertising, bad debt, contract services, direct client services, dues and awards, Framing Hope direct expenses, food and gift card expense, fuel, interest, weatherization materials, postage, printing, professional fees, property taxes, rent and utilities assistance, supplies, training, travel assistance, and travel. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis. The expenses allocated based on time and effort include salaries and payroll taxes and related expenses. The expenses allocated based on square footage include depreciation, insurance, occupancy, repairs and maintenance, and telephone.

Inventory

Inventory is recorded at the lower of cost or net realizable value and consists of gift cards and vouchers which are used for the Organization's various programs. The Organization also records special event auction items and gift certificates in inventory, for use at future special events. Gift cards purchased with grant funds are recorded without donor restrictions as the grant restrictions are considered released when the gift cards are initially purchased.

Income Tax Status

HELP of Southern Nevada 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. HELP Title Holding Corporation is organized as a title holding corporation as described in Section 501(c)(2) of the Internal Revenue Code.

Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by their donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Acquisitions of property and equipment in excess of \$5,000 with a useful life of over one year are capitalized.

Refundable Advances

Grant funds received prior to expenditure are initially recorded as refundable advances. The refundable advances are subsequently recognized as revenue when related services are performed.

Statement of Cash Flows

For purposes of the consolidated statements of cash flows, cash includes cash-on-hand and demand deposits. The Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Advertising Costs

Advertising costs are expensed as incurred.

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 the 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. Management of the Organization believes that no adjustment for impairment was necessary at June 30, 2022 and 2021.

Principles of Consolidation

The consolidated financial statements include the financial information of HELP of Southern Nevada (HELP) and HELP Title Holding Corporation (HTHC), a 501(c)(2) title holding corporation organized exclusively to acquire and hold property owned by HELP and to facilitate the New Markets Tax Credit Transactions, (collectively, the Organization). HTHC is consolidated under the principles of FASB ASC as HELP is the sole member of HTHC. All material inter-organizational transactions have been eliminated.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits

HELP participates in an unemployment savings program upon which a third-party company holds HELP's interest-bearing propriety reserve account in place of paying state unemployment taxes. As of June 30, 2022 and 2021, this interest-bearing account balance was \$145,189 and \$125,857, respectively, and is included in deposits on the consolidated statements of activities.

Subsequent Events

Subsequent events were evaluated through March 21, 2023, the date these consolidated financial statements were available to be issued.

NOTE 2. DESCRIPTION OF PROGRAM SERVICES

Weatherization Assistance

The Weatherization Assistance Program (WX) was created in 1976 by the U.S. Department of Energy (DOE) to assist low-income families who lacked resources to invest in energy efficiency. HELP of Southern Nevada has been providing weatherization services in Southern Nevada for over 30 years. These services are free of charge for our qualifying clients. HELP serves low-income clients with a focus on elderly, families with children, and the most vulnerable during HVAC emergencies.

Energy SHARE – A weatherization program made available through donations for low-income Southwest Gas customers experiencing an unexpected financial hardship. Assistance is provided to qualified Southwest Gas customers with the payment of their gas bill and/or emergency repair or replacement of certain natural gas equipment.

Workforce Services

Through the Displaced Homemaker Program, Workforce Services (WFS), formerly known as W.O.R.C., offers free assistance to anyone who has recently lost his or her primary source of income due to job layoffs, divorce, death, or disability to evaluate their current employment needs, then offers workshops to sharpen job seeking skills as well as helping with job referrals and placement. WFS also provides Career Services and is an EmployNV Youth Hub through Workforce Connections, Workforce Innovation and Opportunities Act, (WIOA) which provides pre-employment services for youth that empower them to enter or re-enter the labor market. Workshops, career exploration, support groups and networking, one-to-one personal or vocational counseling, job-seeking and job-keeping methods, on-the-job training, work based learning, leadership development, decision-making skills development, and assistance with developing an action plan are among the resources used to help participants build confidence, identify skills and seek training and/or employment.

Framing Hope Warehouse

Framing Hope Warehouse offers low-cost home and building supplies to non-profit organizations through a partnership with Good360, the leader in product philanthropy. The HELP of Southern Nevada Framing Hope Warehouse is part of a nationwide network of local and national companies that offers new and like new product donations to the non-profits that need them the most. Many of these items help support our homeless client's needs, pregnant and parenting mothers, as well as HELP's Shannon West Youth Center. Program fees of \$74,505 and \$45,919 were collected under this activity for the years ended June 30, 2022 and 2021, respectively.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 2. DESCRIPTION OF PROGRAM SERVICES (CONTINUED)

Family Housing Services

Family Housing Services (FHS), formerly known as Emergency Resource Services, is the essential link between people needing services and those providing human services in our community. Services offered include case management housing assistance, supportive services, and mainstream programs. FHS is the key to HELP's ability to wrap services around clients so that self-sufficiency is obtained.

Diaper Bank Services – Offers early prenatal guidance, information, and mother-to-mother support for at-risk pregnant women. Classes available include Safe Sleep for Your Baby and Car Seat Safety. Other direct client services are available based on funding and donations, such as prenatal vitamins, diapers, formula, wipes, and other baby items. Families can receive assistance every 30 days for babies up to 3 year of age.

The Diaper Bank – Diaper Distribution is held:

- Every Monday, 8 am - 4 pm, 1660 E Flamingo Rd. Las Vegas, NV 89119
- Every Tuesday, 8 am - 2 pm, 1625 W Carey Ave, N Las Vegas, NV 89032
- Participants can receive diapers once a month, up to child's age 3
- Parent / guardian must have photo ID, Social Security Card and any proof of birth such as birth certificate, crib card or birth confirmation. Please bring custody / court documents for children who are not your own. No appointment necessary.

Rapid Re-housing for Families and Youth Transitional Housing – This program is intended to provide a joint transitional and rapid re-housing (TH-RRH) program for youth ages 18-24 that are experiencing homelessness. The program supports the unique needs of each client, supports the goal of ending homelessness, and reduces incidences of utilization of high costing public systems while supporting self-sufficiency.

Living Beyond 2 – Supportive housing program for pregnant and parenting youth and young adults ages 16 – 22, including supportive services for their children. Pregnant mothers can remain housed prior to the birth of a child and also after birth of the child. Not only are they provided basic needs including food and shelter; they also learn to be effective parents and independent adults committed to self-sufficiency.

Coordinated Entry Community Matchers – Responsible to “match” people on the community queue with appropriate transitional, rapid rehousing, and permanent supportive housing vacancies.

Anthem Family Stabilization – HELP provides the Family Stabilization Program which includes short-term housing support and financial resources for eligible Anthem NV Medicaid Members experiencing housing instability or homelessness. These services include housing problem-solving counseling, housing referrals and placement, flexible financial assistance needed to acquire or to maintain housing, short-term follow up/support and connection to community resources.

Las Vegas Eviction Court (CHAP) – HELP works as a partner with Clark County in assisting persons in need of rental assistance through CARES Housing Assistance Program (CHAP). The Organization helps verify and upload documents to the portal used for application processing.

Operation HOME – Operation Home Rapid Rehousing program (OH) allows households, youth, and individuals to overcome housing barriers and move towards housing, financial, and emotional stability. OH offers participants a wealth of services that help drive them towards self-sufficiency.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 2. DESCRIPTION OF PROGRAM SERVICES (CONTINUED)

Day One Families First – Day One Rapid Rehousing program (Day One) allows self-attested low barrier families to overcome housing barriers and move towards financial and housing security. Day One offers participants a wealth of services that help drive them towards self-sufficiency in a short time frame.

North Las Vegas CARES – HELP works as a partner with N Las Vegas in assisting persons living in N Las Vegas in need of rental and utility assistance. HELP processes applications to ensure rental payments are made to prevent homelessness.

Adult Housing Programs

Adult Housing Programs (AHP), formerly known as Homeless Services, consist of nine programs:

Help Them Home – This program provides intensive case management and permanent supportive housing for chronically homeless individuals with a disability. Individuals are referred to this program through Clark County Social Services Coordinated Intake.

A New Start (ANS) – This is a supportive housing program for chronically homeless and disabled families that provides medium to long term housing to households with children, in which one of the adults is chronically homeless and has a documented disability. ANS clients receive intensive case management and supportive services to become self-sufficient.

New Beginnings – This program provides intensive case management and permanent supportive housing for chronically homeless individuals with a disability. Individuals are referred to this program through Clark County Social Services Coordinated Intake.

Healthy Living – This program provides intensive case management and permanent supportive housing for chronically homeless individuals or families with a disability. Individuals and families in this program must have a medically fragile diagnosis and be referred by a participating hospital or managed care organization. Once the individual meets the criteria for the program, the provider will send a request to Clark County Social Services for a housing placement referral.

Hospital to Home – This program provides intensive case management and rapid rehousing for individuals or families who are medically fragile. Individuals and families in this program must have a medical diagnosis and be referred by Health Plan of Nevada.

Cooperative Agreement Benefitting Homeless Individuals 2 (CABHI 2) – This program provides intensive case management and permanent supportive housing for chronically homeless individuals with a mental health and substance abuse disability.

Built for Zero – This program provides intensive case management and permanent supportive housing for chronically homeless individuals with a disability. Individuals are referred to this program through Clark County Social Services Coordinated Intake.

The Next Step – This program provides intensive case management and permanent supportive housing for chronically homeless individuals with a disability and are frequent users for a specific sector. Individuals are referred to this program through Clark County Social Services Coordinated Intake.

Anthem Shared Housing – This program provides intensive case management and temporary housing for individuals who are experiencing homelessness. By roommate matching, individuals will work towards securing long-term stable housing. Individuals in this program are referred by Anthem.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 2. DESCRIPTION OF PROGRAM SERVICES (CONTINUED)

Homeless Response Teams

Homeless Response Teams consist of seven programs:

Mobile Crisis Intervention Team (MCIT including PRO, Callout, LINK and ROC) –

MCIT PRO conducts street outreach to individuals experiencing homelessness, with a focus on repeatedly engaging locations that have a high volume of homeless individuals staying at them. The goal is to case manage and provide intensive services on a regular basis to large encampments.

MCIT Callout Team (COT) responds to abatement requests from Public Works, governmental agencies, commissioners, and other entities. A majority of requests are uploaded directly into Workforce for the team to respond to. Requests from Public Works are also submitted with an email specifying the location, size of the area, and date the area is being cleaned out.

The LINK Bridge Housing Program is a bridge housing program that operates in tandem with Clark County Social Services that serves the most vulnerable individuals identified on the community queue. LINK workers rapidly house the clients and work with them on outstanding issues and to become document ready for a permanent supportive housing program.

The Regional Outreach Coordinator (ROC) is responsible for regional outreach coordination, that will improve the responsiveness of outreach teams, leading towards increased engagement and service delivery to unsheltered individuals and families experiencing homelessness.

Projects for Assistance in Transition from Homelessness (PATH) – The PATH program is designed to provide services to persons who are homeless or at-risk of becoming homeless and have a serious mental illness. The main goal is to obtain appropriate housing while engaging in formal mental health treatment. Individuals are referred to the community queue for housing placement.

Non-Congregate Shelter Program – Emergency Lodging (NCS) - The NCS program is a temporary shelter placement program for homeless individuals and families who are deemed to be at risk due to medical vulnerability if they were to contract COVID as defined by the CDC covid vulnerability index if they were placed into a congregant shelter setting. Clients are placed into an offsite hotel/ motel setting where they receive case management and wrap around services design to assist them in transitioning to appropriate independent or longer-term housing programs.

Henderson Street Outreach (HHRT) – HHRT performs outreach to homeless individuals residing in the jurisdiction of Henderson and provides emergency lodging services to eligible clients staying in the area. HHRT provides a full range of services and referrals to clients experiencing homelessness.

Youth Street Outreach Program (SOP) - SOP works within the Mobile Crisis Outreach Intervention Teams providing outreach services for homeless youth, which will identify and engage runaway, homeless, and street youth, who have been subjected to or are at risk of sexual abuse, prostitution, sexual exploitation, and trafficking. SOP builds positive relationships with the intent of moving youth into safe, stable housing, and ultimately help youth achieve independence and self-sufficiency.

The North Las Vegas H.O.M.E Team (NLV Team) – The NLV Team performs outreach to homeless individuals residing in the jurisdiction of North Las Vegas and goes into the correctional facilities once a week to connect with jailed persons who are homeless. The NLV Team provides a full range of services and referrals to clients experiencing homelessness.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 2. DESCRIPTION OF PROGRAM SERVICES (CONTINUED)

City of Las Vegas Multi-agency Outreach Resource Engagement Project (MORE) – The MORE team is a multi-agency homeless outreach team led by officers from the Las Vegas Metropolitan Police Department, who conduct interventions, abatements and health & safety checks throughout the City of Las Vegas to encourage homeless individuals and families living in places not meant for human habitation to engage in services.

Shannon West Homeless Youth Center

HELP of Southern Nevada’s Shannon West Homeless Youth Center (SWHYC) provides emergency shelter, transitional housing, and permanent housing services for youth and young adults that are homeless or are at risk of becoming homeless. The SWHYC motivates residents towards reaching self-sufficiency by providing the training and skills to further their education, employment, social and life skills for youth ages 16-24.

The program enables youth to learn skills necessary to succeed as adults. By collaborating with a number of agencies, HELP has resources to provide the following services on site: intensive case management, substance abuse counseling, therapy, mental health referrals, educational assessment, vocational training, and life skills groups focusing on a variety of issues such as anger management, independent living, money management, peer socialization, consumer and problem-solving skills, and health education. The SWHYC is certified by the State of Nevada Substance Abuse Prevention and Treatment Agency to provide substance abuse prevention.

Behavioral Health Services

Within each program, HELP offers Behavioral Health Services, which consists of comprehensive behavior health services utilizing evidence based practiced to assist clients in achieving their goals. HELP offers individualized treatment for addictive and mental health disorders in outpatient and residential settings.

NOTE 3. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Organization reports certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices in active markets for identical assets.

Level 2: Inputs other than quoted prices within Level 1; for example, quoted prices for similar assets.

Level 3: Significant unobservable inputs (including the Organization’s own assumptions in determining the fair value of investments).

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 3. FAIR VALUE MESAUREMENTS AND INVESTMENTS (CONTINUED)

The following table presents the balance of investments at June 30, 2022, which are measured at fair value on a recurring basis:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 606,371	\$ 606,371	\$ -	\$ -
Equities	331,375	331,375	-	-
Exchange traded funds	1,722,111	1,722,111	-	-
Bonds	<u>342,641</u>	<u>342,641</u>	-	-
	<u>\$ 3,002,498</u>	<u>\$ 3,002,498</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents the balance of investments at June 30, 2021, which are measured at fair value on a recurring basis:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 918,735	\$ 918,735	\$ -	\$ -
Structured equities	294,120	-	294,120	-
Exchange traded funds	2,514,862	2,514,862	-	-
Bonds	<u>300,568</u>	<u>300,568</u>	-	-
	<u>\$ 4,028,285</u>	<u>\$ 3,734,165</u>	<u>\$ 294,120</u>	<u>\$ -</u>

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable are recorded at the net present value of estimated future cash flows using discount rates of 1.68%. Pledges receivable consists of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 34,520	\$ 207,126
Receivable in one to five years	<u>-</u>	<u>586,856</u>
Total pledges receivable	34,520	793,982
Less unamortized discount	<u>(569)</u>	<u>(6,336)</u>
Net pledges receivable	33,951	787,646
Less current portion	<u>(33,951)</u>	<u>(205,473)</u>
Net long-term pledges receivable	<u>\$ -</u>	<u>\$ 582,173</u>

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 832,889	\$ 864,526
Buildings and improvements	12,342,579	12,287,467
Land	995,742	995,742
Leasehold improvements	<u>7,608</u>	<u>7,608</u>
	14,178,818	14,155,343
Less accumulated depreciation	<u>(2,360,259)</u>	<u>(2,029,207)</u>
	<u>\$ 11,818,559</u>	<u>\$ 12,126,136</u>

NOTE 6. TAX-DEFERRED ANNUITY PLAN

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Employees may elect to make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization does not make contributions to this plan on behalf of the employees.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for a specific purpose:		
Emergency Resource Services	\$ 986,657	\$ 943,491
Shannon West Homeless Youth Center	220,983	97,892
Homeless Services	164,837	242,930
Personal Protective Equipment	-	8,665
Transportation	474	500
Weatherization Assistance	22,214	31,746
Fire damage	306,878	-
Work Opportunities Readiness Center	<u>13,958</u>	<u>47,195</u>
	1,716,001	1,372,419
Subject to passage of time:		
Building for use as a social services center	564,784	670,682
Shannon West Homeless Youth Center – Six “HOME Units”	435,000	464,000
Shannon West Homeless Youth Center – Building Use	2,498,086	2,903,894
Building for use in CDBG objectives	1,715,000	1,907,500
Pledges receivable	<u>33,951</u>	<u>787,646</u>
	<u>5,246,821</u>	<u>6,733,722</u>
	<u>\$ 6,962,822</u>	<u>\$ 8,106,141</u>

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Shannon West Homeless Youth Center	\$ -	\$ 34,239
Homeless Services	78,093	81,736
Personal Protective Equipment	8,665	-
Transportation	26	-
Weatherization	9,532	-
Work Opportunities Readiness Center	<u>33,237</u>	<u>5,780</u>
	129,552	121,755
Satisfaction of passage of time:		
Building for use as a social services center	105,898	105,897
Shannon West Homeless Youth Center – Six “HOME Units”	29,000	29,000
Shannon West Homeless Youth Center – Building Use	405,808	405,808
Building for use in CDBG objectives	192,500	-
Pledges receivable	<u>753,695</u>	<u>209,648</u>
	<u>1,486,900</u>	<u>750,353</u>
	<u>\$ 1,616,454</u>	<u>\$ 872,108</u>

Net assets with donor restrictions consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash, restricted	\$ 1,716,001	\$ 1,372,419
Pledges receivable, net	33,951	787,646
Property and equipment, net	<u>5,212,870</u>	<u>5,946,076</u>
	<u>\$ 6,962,822</u>	<u>\$ 8,106,141</u>

NOTE 8. CONCENTRATIONS

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash. The Organization deposits its cash in various financial institutions. The balances at time are in excess of insured limits imposed by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses on uninsured balances.

The Organization received 68% and 68% of its grant revenue from Clark County as of June 30, 2022 and 2021, respectively.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 8. CONCENTRATIONS (CONTINUED)

The Organization received a donation of \$5,003,914 from a single donor during the year ended June 30, 2021 representing 73% of total contributions. There were no contribution concentrations during the year ended June 30, 2022.

NOTE 9. NEW MARKETS TAX CREDIT FINANCING

To partially fund the construction of the Shannon West Homeless Youth Center expansion project (the Project), the Organization entered into a New Markets Tax Credit (NMTC) financing arrangement. The NMTC Program is designed to spur new or increased investments into operating businesses and real estate projects located in low-income communities by offering investors a federal tax credit in exchange for the investments. To earn the tax credit, the investor must remain invested for a 7-year period, which will end on March 31, 2023 for the Project. As part of this financing arrangement, the Organization issued a \$6,685,000 note receivable to the Bank of America Investment Fund V, LLC. In turn, this investment fund made an investment in a Community Development Entity (CDE) and holds a 99.99% investor member interest in the CDE. The CDE made two loans totaling \$10,000,000 to the project (See Note 10). As part of the financing arrangement, the Organization entered into a put and call agreement to take place at the end of the 7-year tax credit period. Under the agreements, the NMTC investor can exercise a put option to sell all interest in the investment fund to the Organization for \$1,000. If the NMTC investor does not exercise the put option, then the agreement allows the Organization to exercise a call option to purchase the interest in the investment fund at an appraised fair market value. As of June 30, 2022, this note receivable is expected to be fully collectible.

NOTE 10. NOTES PAYABLE

In September 2014, a line of credit balance of \$299,542 was modified into a twenty-year loan maturing in September 2034. This loan required monthly principal and interest payments of \$1,724 with a final balloon payment of \$93,467. Interest on the loan was calculated at 4.77% per annum which was based on the 5-year LIBOR rate plus 3%. As of June 30, 2017, the balance of the note payable was \$281,333. As of June 14, 2018, this loan was modified into a new single loan of \$482,000. The new loan matures in June 2033. The loan requires monthly principal and interest payments of \$3,798. Interest on the loan is calculated at 4.87% per annum. As of June 30, 2022 and 2021, the balance of the note payable was \$361,521 and \$402,539, respectively.

As of June 30, 2022 and 2021, the Organization had a note payable in the amount of \$6,685,000 (Loan A). This note bears an interest rate of .67% per annum and is interest-only through April 2023 and then converts to a principal and interest payment schedule for the balance of the loan term. This loan is payable in quarterly installments and matures in March 2046.

As of June 30, 2022 and 2021, the Organization had a note payable in the amount of \$3,315,000 (Loan B). This note bears an interest rate of .67% per annum and is interest-only through April 2023 and then converts to a principal and interest payment schedule for the balance of the loan term. This loan is payable in quarterly installments and matures in March 2046.

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 10. NOTES PAYABLE (CONTINUED)

On April 7, 2020, the Organization (the Borrower) qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the PPP Lender), for an aggregate principal amount of \$1,618,400 (the PPP Loan). The PPP Loan bore interest at a fixed rate of 1.0% per annum, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. The principal and accrued interest of the PPP Loan was subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization applied for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan was not forgiven, the Organization would be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing the earlier of (1) the date that SBA remits the Borrower's loan forgiveness amount to the Lender or (2) 10 months after the end of the Borrower's loan forgiveness covered period of 24-weeks, principal and interest payments would be required through the maturity date in April 2022. The terms of the PPP Loan provided for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

	<u>2022</u>	<u>2021</u>
Bank loan	\$ 361,521	\$ 402,539
Paycheck Protection Program Loan	-	1,618,400
Loan A	6,685,000	6,685,000
Loan B	<u>3,315,000</u>	<u>3,315,000</u>
	10,361,521	12,020,939
Less amount due within one year	127,570	1,644,815
Less debt issuance costs	<u>475,598</u>	<u>513,492</u>
Long-term notes payable	<u>\$ 9,758,353</u>	<u>\$ 9,862,632</u>

The Organization accounted for the PPP Loan as a financial liability in accordance with FASB ASC 470. The PPP Loan was recognized as a gain on forgiveness of debt when loan forgiveness was provided by the SBA. The PPP Loan was forgiven in full in August 2021.

The schedule of principal payments due for the next five years ending June 30:

2023	\$ 127,570
2024	430,407
2025	435,449
2026	436,973
2027	443,122
Thereafter	<u>8,488,000</u>
	<u>\$ 10,361,521</u>

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 11. DEBT ISSUANCE COSTS

Debt issuance costs represent loan costs incurred with the acquisition of debt. Capitalized debt issuance costs are being amortized over the term of the related loan using the effective interest method.

Debt issuance costs consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Debt issuance costs	\$ 819,789	\$ 819,789
Less accumulated amortization	<u>344,191</u>	<u>306,297</u>
Unamortized debt issuance costs	<u>\$ 475,598</u>	<u>\$ 513,492</u>

Amortization (interest) expense was \$37,894 and \$37,894 for the years ended June 30, 2022 and 2021, respectively. Future estimated amortization for debt issuance costs are as follows:

2023	\$ 37,799
2024	36,570
2025	35,050
2026	33,519
2027	31,979
Thereafter	<u>300,681</u>
	<u>\$ 475,598</u>

NOTE 12. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Organization receives program and contribution revenues, and considers contributions restricted for programs or expenses which are ongoing, major or 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, maintain adequate liquid assets to fund near-term operating needs, and maintain 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 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,376,678	\$ 2,072,950
Investments	3,002,498	4,028,285
Accounts receivable, net	26,552	32,254
Grants receivable	3,063,419	2,249,714
Less refundable advances	(1,007,188)	(688,111)
Less funds held for others	<u>(3,788)</u>	<u>(3,788)</u>
	<u>\$ 7,458,171</u>	<u>\$ 7,691,304</u>

The Organization also has an available line of credit of \$500,000 through June 13, 2025 (see Note 14).

HELP OF SOUTHERN NEVADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 13. OPERATING LEASES

There are non-cancelable operating leases for vehicles expiring through November 2024. Rental expense for leases totaled \$65,727 and \$51,492 for the years ended June 30, 2022 and 2021, respectively.

Future minimum payments under operating leases are as follows:

2023	\$ 63,517
2024	55,136
2025	<u>16,049</u>
	<u>\$ 134,702</u>

On April 1, 2019, HELP entered into a below-market lease for office space. This lease, which expires April 2025, has an annual base rent of \$1. To recognize the fair market value of this lease, an initial pledge receivable and related in-kind contribution revenue of \$1,260,014 were recognized with a discount to present value using a rate of .38%. The pledge receivable will be amortized over the 6-year term of the lease and the corresponding amortization of the discount will be recognized as in-kind rent expense. For the years ended June 30, 2022 and 2021, rent expense recognized for this lease was \$207,126 and \$207,126. This lease was subsequently terminated early, effective August 2021, and the remaining portion determined to be uncollectible was reported as bad debt during the year ended June 30, 2022.

NOTE 14. COMMITMENTS

In June 2018, a revolving line of credit was established for \$300,000 which expired June 13, 2021. In May 2021, the line of credit was modified to a limit of \$250,000 and was set to expire June 13, 2022. In July 2022, the line of credit was modified to \$500,000 with maturity extended through June 13, 2025. The interest rate is variable and based on 1.5% over the Prime Rate as published by the Wall Street Journal (the Index). As of June 30, 2022 the interest rate was 7% per annum. The line of credit is collateralized with the 1st deed of trust and assignment of rents on the property locate at 1640 E. Flamingo Rd., Las Vegas, NV 89119. As of June 30, 2022 and 2021, the balance on this line of credit was \$0.

HELP OF SOUTHERN NEVADA
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	HELP of Southern Nevada	HELP Title Holding Corporation	Total Before Eliminations	Eliminating Entries	Consolidated
ASSETS					
CURRENT ASSETS					
Cash	\$ 617,873	\$ 42,804	\$ 660,677	\$ -	\$ 660,677
Cash, restricted	1,716,001	-	1,716,001	-	1,716,001
Investments	3,002,498	-	3,002,498	-	3,002,498
Accounts receivable	326,072	-	326,072	(a) (299,520)	26,552
Grants receivable	3,063,419	-	3,063,419	-	3,063,419
Pledges receivable, net	33,951	-	33,951	-	33,951
Notes receivable	310,448	-	310,448	-	310,448
Inventory	183,765	-	183,765	-	183,765
Prepaid expenses	57,708	-	57,708	-	57,708
	<u>9,311,735</u>	<u>42,804</u>	<u>9,354,539</u>	<u>(299,520)</u>	<u>9,055,019</u>
OTHER ASSETS					
Property and equipment, net	3,871,012	7,947,547	11,818,559	-	11,818,559
Deposits	145,689	-	145,689	-	145,689
Notes receivable, net of current maturities	6,374,552	-	6,374,552	-	6,374,552
	<u>10,391,253</u>	<u>7,947,547</u>	<u>18,338,800</u>	<u>-</u>	<u>18,338,800</u>
	<u>\$ 19,702,988</u>	<u>\$ 7,990,351</u>	<u>\$ 27,693,339</u>	<u>\$ (299,520)</u>	<u>\$ 27,393,819</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 1,498,357	\$ 299,520	\$ 1,797,877	(a) \$ (299,520)	\$ 1,498,357
Accrued liabilities	833,028	15,825	848,853	-	848,853
Notes payable	27,733	99,837	127,570	-	127,570
Refundable advances	1,007,188	-	1,007,188	-	1,007,188
	<u>3,366,306</u>	<u>415,182</u>	<u>3,781,488</u>	<u>(299,520)</u>	<u>3,481,968</u>
LONG-TERM LIABILITIES					
Notes payable, net of current maturities and debt issuance costs	<u>333,788</u>	<u>9,424,565</u>	<u>9,758,353</u>	<u>-</u>	<u>9,758,353</u>
NET ASSETS					
Without donor restrictions	11,973,158	(4,782,482)	7,190,676	-	7,190,676
With donor restrictions	4,029,736	2,933,086	6,962,822	-	6,962,822
	<u>16,002,894</u>	<u>(1,849,396)</u>	<u>14,153,498</u>	<u>-</u>	<u>14,153,498</u>
	<u>\$ 19,702,988</u>	<u>\$ 7,990,351</u>	<u>\$ 27,693,339</u>	<u>\$ (299,520)</u>	<u>\$ 27,393,819</u>

(a) To eliminate intercompany activity.

See notes to consolidated financial statements.

**HELP OF SOUTHERN NEVADA
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	HELP of Southern Nevada	HELP Title Holding Corporation	Consolidated
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenue, gains and other support:			
Grants	\$ 23,515,339	\$ -	\$ 23,515,339
Contributions	1,851,644	-	1,851,644
Program income	172,180	-	172,180
Special events, net	54,020	-	54,020
Other	84,389	-	84,389
Gain on forgiveness of debt	1,618,400	-	1,618,400
Net assets released from restrictions	1,181,646	434,808	1,616,454
	<u>28,477,618</u>	<u>434,808</u>	<u>28,912,426</u>
Expenses:			
Program services:			
Weatherization Assistance	1,866,748	-	1,866,748
Workforce Services	2,109,723	-	2,109,723
Family Housing Services	4,511,584	-	4,511,584
Adult Housing Programs	5,329,202	-	5,329,202
Homeless Response Teams	7,589,540	-	7,589,540
Framing Hope Warehouse	170,437	-	170,437
Shannon West Homeless Youth Center	2,316,674	333,813	2,650,487
Behavioral Health	134,789	-	134,789
Support services:			
Fundraising	853,384	-	853,384
Management and general	2,429,796	-	2,429,796
Investment return, net	898,278	-	898,278
	<u>28,210,155</u>	<u>333,813</u>	<u>28,543,968</u>
Change in net assets without donor restrictions	<u>267,463</u>	<u>100,995</u>	<u>368,458</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Contributions	473,135	-	473,135
Net assets released from restrictions	(1,181,646)	(434,808)	(1,616,454)
Change in net assets with donor restrictions	<u>(708,511)</u>	<u>(434,808)</u>	<u>(1,143,319)</u>
CHANGE IN NET ASSETS	(441,048)	(333,813)	(774,861)
NET ASSETS AT BEGINNING OF YEAR	16,443,942	(1,515,583)	14,928,359
NET ASSETS AT END OF YEAR	\$ 16,002,894	\$ (1,849,396)	\$ 14,153,498

See notes to consolidated financial statements.

HELP OF SOUTHERN NEVADA
CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	HELP of Southern Nevada	HELP Title Holding Corporation	Total Before Eliminations	Eliminating Entries	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ (441,048)	\$ (333,813)	\$ (774,861)	\$ -	\$ (774,861)
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	143,749	218,939	362,688	-	362,688
Amortization of debt issuance costs (interest)	-	37,894	37,894	-	37,894
Unrealized loss on investments	1,032,973	-	1,032,973	-	1,032,973
Discount on pledges receivable	(5,767)	-	(5,767)	-	(5,767)
Gain on forgiveness of debt	(1,618,400)	-	(1,618,400)	-	(1,618,400)
(Increase) decrease in operating assets:					
Accounts receivable	305,222	-	305,222 (a)	(299,520)	5,702
Grants receivable	(813,705)	-	(813,705)	-	(813,705)
Pledges receivable	759,462	-	759,462	-	759,462
Inventory	(63,291)	-	(63,291)	-	(63,291)
Prepaid expenses	(12,865)	-	(12,865)	-	(12,865)
Deposits	18,918	-	18,918	-	18,918
Increase (decrease) in operating liabilities:					
Accounts payable	310,706	76,980	387,686 (a)	299,520	687,206
Accrued liabilities	472,012	-	472,012	-	472,012
Refundable advances	319,077	-	319,077	-	319,077
Net cash provided by operating activities	<u>407,043</u>	<u>-</u>	<u>407,043</u>	<u>-</u>	<u>407,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sales of investments	225,162	-	225,162	-	225,162
Purchases of investments	(232,348)	-	(232,348)	-	(232,348)
Purchases of property and equipment	(55,111)	-	(55,111)	-	(55,111)
Net cash used in investing activities	<u>(62,297)</u>	<u>-</u>	<u>(62,297)</u>	<u>-</u>	<u>(62,297)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on notes payable	(41,018)	-	(41,018)	-	(41,018)
Net cash used in financing activities	<u>(41,018)</u>	<u>-</u>	<u>(41,018)</u>	<u>-</u>	<u>(41,018)</u>
NET CHANGE IN CASH	<u>303,728</u>	<u>-</u>	<u>303,728</u>	<u>-</u>	<u>303,728</u>
CASH, BEGINNING OF YEAR	<u>2,030,146</u>	<u>42,804</u>	<u>2,072,950</u>	<u>-</u>	<u>2,072,950</u>
CASH, END OF YEAR	<u>\$ 2,333,874</u>	<u>\$ 42,804</u>	<u>\$ 2,376,678</u>	<u>\$ -</u>	<u>\$ 2,376,678</u>
SUMMARY OF CASH ACCOUNTS					
Cash	\$ 617,873	\$ 42,804	\$ 660,677	\$ -	\$ 660,677
Cash, restricted	1,716,001	-	1,716,001	-	1,716,001
	<u>\$ 2,333,874</u>	<u>\$ 42,804</u>	<u>\$ 2,376,678</u>	<u>\$ -</u>	<u>\$ 2,376,678</u>
SUPPLEMENTAL DISCLOSURES					
Interest paid	\$ 18,982	\$ 104,873	\$ 123,855	\$ -	\$ 123,855

(a) To eliminate intercompany activity.

See notes to consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
HELP of Southern Nevada
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 consolidated financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of HELP of Southern Nevada (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered HELP of Southern Nevada's (the Organization) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of HELP of Southern Nevada'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 consolidated 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HELP of Southern Nevada's consolidated 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
March 21, 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
HELP of Southern Nevada
Las Vegas, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited HELP of Southern Nevada’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 HELP of Southern Nevada’s major federal programs for the year ended June 30, 2022. HELP of Southern Nevada’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, HELP of Southern Nevada 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 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* (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 HELP of Southern Nevada 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 HELP of Southern Nevada’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 HELP of Southern Nevada’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 HELP of Southern Nevada'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 HELP of Southern Nevada'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 HELP of Southern Nevada'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 HELP of Southern Nevada'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 HELP of Southern Nevada'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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
March 21, 2023

**HELP OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal/ Pass-through Agency	Program Title	Identifying Number	Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development				
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0117L9T002003	14.267	\$ 156,405
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0117L9T001902	14.267	52,099
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0051L9T002008	14.267	426,356
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0051L9T002109	14.267	30,371
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0015L9T001909	14.267	37,288
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0015L9T002010	14.267	174,130
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0026L9T002010	14.267	633,055
Passed through Clark County	Continuum of Care Program	N/A	14.267	884,880
U.S. Department of Housing and Urban Development	Continuum of Care Program	NV0026L9T001909	14.267	52,658
Passed through Clark County	Continuum of Care Program	NV0071L9T001805	14.267	371,854
Passed through Clark County	Continuum of Care Program	NV0099L9T001601	14.267	127,707
Passed through Clark County	Continuum of Care Program	NV0099L9T001602	14.267	<u>15,283</u>
	Total Continuum of Care Program 14.267			2,962,086
Passed through Clark County	Shelter Plus Care	NV0078L9T001806	14.238	1,110,967
Passed through Clark County	COVID-19 Emergency Solutions Grant	N/A	14.231	1,055,662
Passed through Clark County	COVID-19 Emergency Solutions Grant	N/A	14.231	808,293
Passed through Clark County	Emergency Solutions Grant	N/A	14.231	101,074
Passed through City of North Las Vegas	COVID-19 Emergency Solutions Grant	N/A	14.231	129,835
Passed through City of Henderson	COVID-19 Emergency Solutions Grant	N/A	14.231	522,355
Passed through City of North Las Vegas	COVID-19 Emergency Solutions Grant	N/A	14.231	45,309
Passed through City of North Las Vegas	Emergency Solutions Grant	N/A	14.231	<u>17,748</u>
	Total Emergency Solutions Grant 14.231			2,680,276

See notes to schedule of expenditures of federal awards.

**HELP OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Federal/ Pass-through Agency	Program Title	Identifying Number	Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development				
Passed through Clark County	COVID-19 Community Development Block Grant	N/A	14.218	598,384
Passed through City of Las Vegas	COVID-19 Community Development Block Grant	N/A	14.218	40,560
Passed through City of Las Vegas	Community Development Block Grant	N/A	14.218	80,000
Passed through City of North Las Vegas	Community Development Block Grant	N/A	14.218	<u>12,600</u>
	Total Community Development Block Grant Entitlements Cluster 14.218			<u>731,544</u>
Total U.S. Department of Housing and Urban Development				<u><u>7,484,873</u></u>
U.S. Department of Energy				
Passed through the State of Nevada	Weatherization Assistance for Low-income Persons	DOE/2021/02 #DE-EE0007934	81.042	<u>291,772</u>
Total U.S. Department of Energy				<u><u>291,772</u></u>
U.S. Department of Homeland Security				
Passed through United Way of Southern Nevada	Emergency Food and Shelter National Board Program LRO 586800-04	Phase 39	97.024	6,729
Passed through United Way of Southern Nevada	COVID-19 Emergency Food and Shelter National Board Program LRO 586800-04	Phase 39	97.024	<u>20,796</u>
	Total Emergency Food and Shelter 97.024			<u>27,525</u>
Total U.S. Department of Homeland Security				<u><u>27,525</u></u>
U.S. Department of Labor				
Passed through Workforce Connections	Workforce Innovation and Opportunity Act Cluster - Youth Activities	WC-19-HSN-YTH-NORTH-Y3-01	17.259	<u>1,699,510</u>
Total U.S. Department of Labor				<u><u>1,699,510</u></u>

See notes to schedule of expenditures of federal awards.

**HELP OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Federal/ Pass-through Agency	Program Title	Identifying Number	Assistance Listing Number	Expenditures
U.S. Department of Health and Human Services				
Passed through the State of Nevada	Low-income Home Energy Assistance	LIHEA/2021/02	93.568	325,219
Passed through State of Nevada	COVID-19 Low-income Home Energy Assistance	LIHEA CARES ACT/2021/02	93.568	<u>62,324</u>
	Total Low-income Home Energy Assistance 93.568			387,543
Passed through the State of Nevada	Projects in Assistance in Transition From Homelessness	X06SM083696-01	93.150	69,813
Passed through the State of Nevada	Projects in Assistance in Transition From Homelessness	X06SM085832-01	93.150	<u>134,060</u>
	Total Projects in Assistance in Transition From Homelessness 93.150			203,873
Passed through Clark County	Transitional Living for Homeless Youth	N/A	93.550	66,326
Passed through Clark County	Transitional Living for Homeless Youth	N/A	93.550	<u>31,957</u>
	Total Transitional Living for Homeless Youth 93.550			98,283
Passed through Workforce Connections	Childcare and Development Fund Cluster	G2001NVCCDF	93.575	<u>100,313</u>
Total U.S. Department of Health and Human Services				<u><u>790,012</u></u>
Total Federal Expenditures				<u><u>\$ 10,293,692</u></u>

See notes to schedule of expenditures of federal awards.

HELP OF SOUTHERN NEVADA
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 (SEFA) includes the federal award activity for HELP of Southern Nevada, under programs of the federal government for the year ended June 30, 2022 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, Cost Principles, and Audit Requirements for HHS Awards* (Uniform Guidance). The schedule presents only a portion of the operations of HELP of Southern Nevada. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic consolidated financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. The cost principles indicate that certain types of expenditures are not allowable and certain allowable costs are limited as to reimbursement. HELP of Southern Nevada has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**HELP OF SOUTHERN NEVADA
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 consolidated financial statements of HELP of Southern Nevada.
2. No instances of material weaknesses or significant deficiencies related to the audit of the consolidated financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No instances of noncompliance material to the consolidated financial statements of HELP of Southern Nevada, 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 relating to the audit of the 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 HELP of Southern Nevada expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a) or 45 CFR 75.516(a).
7. The programs tested as major programs were the Workforce Innovation and Opportunity Act Cluster and the U.S. Department of Health and Human Services, Assistance Listing Number, 93.568, Low-income Home Energy Assistance.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. HELP of Southern Nevada qualifies as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS- FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

**HELP OF SOUTHERN NEVADA
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 AWARD PROGRAMS AUDIT

None.