

NEVADA VOLUNTEERS

REPORTING PACKAGE

DECEMBER 31, 2015

NEVADA VOLUNTEERS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nevada Volunteers

Report on the Financial Statements

We have audited the accompanying financial statements of Nevada Volunteers (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial position of Nevada Volunteers as of December 31, 2015, 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.

Report on Summarized Comparative Information

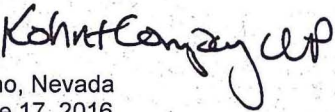
The December 31, 2014 financial statements of Nevada Volunteers were audited by us and we expressed an unmodified opinion on those audited financial statements in the report dated July 1, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the 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* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2016, 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 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 Nevada Volunteers' internal control over financial reporting and compliance.


Reno, Nevada
June 17, 2016



NEVADA VOLUNTEERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)

	<u>2015</u>	<u>2014</u> (Memorandum Only)
ASSETS		
CURRENT ASSETS		
Cash	\$ 131,694	\$ 102,632
Due from grantors	86,796	230,210
Accounts receivable	15,605	-
Prepaid expenses	5,903	6,530
Total current assets	<u>239,998</u>	<u>339,372</u>
PROPERTY AND EQUIPMENT , net of accumulated depreciation of \$35,111 and \$34,372 for 2015 and 2014, respectively	<u>5,001</u>	<u>6,840</u>
Total assets	<u><u>\$ 244,999</u></u>	<u><u>\$ 346,212</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 62,674	\$ 24,076
Accrued wages and payroll taxes	7,704	11,056
Accrued compensated absences	10,422	12,845
Deferred income	250	12,760
Due to subrecipients	74,803	209,459
Total current liabilities/total liabilities	<u>155,853</u>	<u>270,196</u>
UNRESTRICTED NET ASSETS		
Designated for investment in property and equipment, net	5,001	6,840
Undesignated net assets	84,145	69,176
Total unrestricted net assets	<u>89,146</u>	<u>76,016</u>
Total liabilities and net assets	<u><u>\$ 244,999</u></u>	<u><u>\$ 346,212</u></u>

See accompanying notes

NEVADA VOLUNTEERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	2015	2014 (Memorandum Only)
UNRESTRICTED PUBLIC AND GOVERNMENTAL SUPPORT, REVENUE AND GAINS		
Public and governmental support		
Federal grants -		
Corporation for National and Community Service	\$ 1,774,193	\$ 1,940,145
Repayments from prior year grants	(66,495)	-
State of Nevada	162,760	137,240
In-kind contributions	242,815	341,809
Total public and governmental support	<u>2,113,273</u>	<u>2,419,194</u>
Revenue and gains		
Points of Light fundraising event	58,629	68,580
Match and administrative income	40,389	16,844
Miscellaneous income	13	1,593
Total revenue and gains	<u>99,031</u>	<u>87,017</u>
Total unrestricted public and governmental support, revenue and gains	2,212,304	2,506,211
EXPENSES		
Program services	1,997,674	2,231,659
General and administrative	166,248	188,793
Fundraising	35,252	38,915
Total expenses	<u>2,199,174</u>	<u>2,459,367</u>
CHANGE IN UNRESTRICTED NET ASSETS	13,130	46,844
UNRESTRICTED NET ASSETS, beginning of year	<u>76,016</u>	<u>29,172</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 89,146</u>	<u>\$ 76,016</u>

See accompanying notes

NEVADA VOLUNTEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	2015	2014 (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,130	\$ 46,844
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,839	2,004
Changes in certain components of working capital		
(Increase) decrease in:		
Due from grantors	143,414	107,965
Accounts receivable	(15,605)	-
Prepaid expenses	627	748
Increase (decrease) in:		
Accounts payable	38,598	4,042
Accrued wages and payroll taxes	(3,352)	2,246
Accrued compensated absences	(2,423)	7,697
Deferred income	(12,510)	(63,740)
Due to subrecipients	(134,656)	(126,164)
Net cash flows from operating activities	29,062	(18,358)
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress (website)	-	(1,345)
Net cash used by investing activities	-	(1,345)
NET CHANGE IN CASH AND CASH EQUIVALENTS	29,062	(19,703)
CASH AND CASH EQUIVALENTS, beginning of year	102,632	122,335
CASH AND CASH EQUIVALENTS, end of year	\$ 131,694	\$ 102,632
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Disposal of fully depreciated equipment	\$ 1,100	\$ -

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

NEVADA VOLUNTEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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. 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 are also commissioners appointed by the Governor. The Organization, through its Board of Directors, 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.

Basis of Accounting

The Organization prepares its financial statements using the accrual method of accounting, which recognizes revenue when earned and expenses as incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization reports restricted contributions whose restrictions are met in the same reporting period in which the contributions are received as unrestricted support. The Organization has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

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.

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 \$1,000. 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.

NEVADA VOLUNTEERS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Designation

The Organization has \$5,001 and \$6,840 invested in property and equipment, net of accumulated depreciation, at December 31, 2015 and 2014, respectively.

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 funds collected for the Points of Lights event that was held subsequent to year end.

Donated Services

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

Advertising costs consist primarily of costs for the public information campaign and are expensed when the advertising first takes place. Advertising costs totaled \$218,290 and \$267,178, including in-kind contributions of \$208,290 and \$257,178, for the years ended December 31, 2015 and 2014, respectively.

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.

Subsequent Events

Subsequent events have been evaluated through June 17, 2016, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

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.

NEVADA VOLUNTEERS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Memorandum Only – Total Columns

Total columns in the financial statements are captioned 'memorandum only' to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets or cash flows in conformity with generally accepted accounting principles.

NOTE 2 - OPERATING LEASES

The Organization entered into an agreement to lease office space in Reno, Nevada through December 31, 2016, with monthly lease payments \$1,823 through the duration of the lease. Additionally, the Organization entered into agreements for copier and software services expiring at various times through March 2017 with monthly payments totaling \$1,138.

Future minimum rental payments on the above items are as follows:

2016	\$ 31,217
2017	826

The expense associated with the above leases totaled \$38,838 and \$27,897 for the years ended December 31, 2015 and 2014, respectively.

NOTE 3 - RETIREMENT PLAN

The Organization sponsors a Simplified Employee Pension Plan (SEP). Annual employer contributions of 5% to 15% of employee compensation are determined by the Board of Directors annually. The Organization contributed \$11,256 and \$10,720 for the years ended December 31, 2015 and 2014, respectively.

NOTE 4 - GRANT COMPLIANCE ISSUES

During 2012, a subrecipient of the Organization became involved in an Office of Inspector General (OIG) investigation. Despite assurances from the subrecipient that all program files were in compliance, the files review by the OIG indicated that the subrecipient did not properly maintain documentation for a portion of the members that confirmed members were not on the National Sex Offender Public Registry (NSOPR) prior to the start of their service.

During 2012, the Organization believes it complied with the grantor agency's requirement to pay the education awards that were disallowed by the CNCS federal funding agency through "other, non-congressional funds resources held by Nevada Volunteers". The Organization paid a reimbursement equivalent to the value of the education awards for the period of time in dispute, totaling \$24,695 using nonfederal sources with the expense included in the accompanying financial statements for the year ended December 31, 2012.

In the prior year, the Organization received the investigation report, the CNCS management decision and demand letter in the amount of \$130,290 from CNCS concerning the 2012 subrecipient investigation. Additionally the issues that arose and created the questioned costs are included as part of a CNCS launched criminal history assessment period. This assessment period provided all other grantees and commission across the country with similar issues to have typical cost findings forgiven.

In addition, the OIG performed an audit for the period January 1, 2011 through June 30, 2013. The Organization did not incur any specific findings relating to its direct expenditures for federal awards. However, there were findings and questioned costs of \$207,226 (federal, match and education awards) for its subrecipients. The issues primarily related to the timing and documentation of National Service Criminal History check requirement under federal law.

NEVADA VOLUNTEERS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 4 - GRANT COMPLIANCE ISSUES (Continued)

During the year ended December 31, 2015 the Organization received a final closeout for all these issues. The Organization is required to pay a reimbursement of \$56,990 using nonfederal sources, which is reported as an expense during 2015 and included in accounts payable at December 31, 2015. Following is a summary of amounts included in the financial statements:

Reduction of current year grant income	
Grant repayments required by OIG audit	\$ 9,505
Grant repayments required by Investigation	56,990
	<u>\$ 66,495</u>
Reduction of current year grant expenses	
Grant repayments by original subrecipient grant award	
The Children's Cabinet	\$ (186)
Great Basin Institute	(620)
United Way of Southern Nevada	(8,699)
Luz Community	(56,990)
Grant repayments which were paid by the Organization and reduced federal grant revenue	60,879
	<u>\$ (5,616)</u>

SUPPLEMENTARY INFORMATION

NEVADA VOLUNTEERS
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	2015				2014
	Program Services	General and Administrative	Fundraising	Total	Total (Memorandum Only)
Depreciation	\$ -	\$ 1,839	\$ -	\$ 1,839	\$ 2,004
Dues and subscriptions	-	2,035	-	2,035	1,578
Event - anniversary	-	1,396	5	1,401	5,126
Information technology	-	23,929	-	23,929	16,829
Insurance	-	7,112	-	7,112	6,175
Meals	-	-	-	-	330
National service conference	12,500	-	-	12,500	-
Office supplies	7,739	2,580	352	10,671	16,843
Other operating expenses	4,563	1,522	723	6,808	6,197
Payroll taxes and employee benefits	42,243	10,212	1,423	53,878	42,030
Points of Light fundraising	-	-	26,665	26,665	28,676
Postage	-	869	-	869	644
Professional fees, including in-kind	-	25,062	20	25,082	92,028
Public information campaign	218,290	-	-	218,290	267,178
Rent	23,417	7,806	-	31,223	29,518
Retirement plan	8,825	2,134	297	11,256	10,720
Salaries	166,956	40,362	5,623	212,941	195,927
Sub recipients					
The Children's Cabinet	102,866	-	-	102,866	214,734
Great Basin Institute	504,437	-	-	504,437	569,954
Nevada Department of Veterans	2,736	-	-	2,736	-
Nevada Governor's Office of Energy	15,652	-	-	15,652	-
Nevada Outdoor School	171,425	-	-	171,425	156,665
Nevada Statewide Coalition	10,485	-	-	10,485	-
Outside Las Vegas Foundation	6,973	-	-	6,973	-
TEACH	-	-	-	-	26,775
The Parasol Tahoe					
Community Foundation	93,597	-	-	93,597	181,066
Truckee Meadows Foundation	7,355	-	-	7,355	-
United Way of Southern Nevada	357,738	-	-	357,738	416,824
University of Nevada Las Vegas	39,780	-	-	39,780	-
Urban Roots	170,140	-	-	170,140	126,215
WestCare	-	-	-	-	2,667
Adjustments for closed grant periods	(5,616)	-	-	(5,616)	-
Telephone	2,794	1,198	-	3,992	6,156
Training and site review	2,109	25,048	-	27,157	8,854
Travel	30,670	13,144	144	43,958	27,654
	<u>\$ 1,997,674</u>	<u>\$ 166,248</u>	<u>\$ 35,252</u>	<u>\$ 2,199,174</u>	<u>\$ 2,459,367</u>

See accompanying notes

NEVADA VOLUNTEERS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Federal Grantor Pass-Through Grantor/ Program Title</u>	<u>Award Period</u>	<u>Pass-Through Grantor Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Corporation for National and Community Service					
AmeriCorps	9/1/13-8/31/16	13AFHNV001	94.006	\$ 1,349,808	\$ 1,349,808
	8/24/15-8/23/18	14ACHNV001	94.006	39,780	39,780
	9/1/12-8/31/15	12FXHNV001	94.006	93,596	93,596
Subtotal - CFDA 94.006				1,483,184	1,483,184
State Commissions	1/1/13-12/31/15	13CAHNV001	94.003	278,394	-
Regional Conferences	10/1/15-6/30/16	15TCHNV001	94.009	12,615	-
Total expenditures of federal awards				\$ 1,774,193	\$ 1,483,184

See accompanying notes to this schedule

NEVADA VOLUNTEERS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2015

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, 2015. 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, changes in net assets, or cash flows of Nevada Volunteers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Organization provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
AmeriCorps	94.006	\$1,473,679

Note 4 to the accompanying financial statements details grant compliance issues that were noted as part of an OIG investigation in 2012 and a separate OIG audit for the period January 1, 2011 through June 30, 2013. These issues are also noted in connection with the footnote for the schedule of expenditures of federal awards. Since these issues were not part of a prior audit finding they are not included in the summary schedule of prior audit findings and are instead detailed in this footnote.

The financial statements reflect amounts received from subrecipients and refunded to the grantor for a repayment of prior year grants relating to disallowed costs. These amounts are not reflected in the Schedule as they do not relate to current year expenditures of federal awards.

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

**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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nevada Volunteers (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated June 17, 2016.

Internal Control over Financial Reporting

In planning and performing our audit, 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 the Organization's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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
June 17, 2016

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

To the Board of Directors
Nevada Volunteers

Report on Compliance for Each Major Federal Program

We have audited Nevada Volunteers' (a nonprofit organization) 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 each of Nevada Volunteers' major federal programs for the year ended December 31, 2015. Nevada Volunteers' major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nevada Volunteers' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 each 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, 2015.

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 each 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 significant deficiencies or material weaknesses. 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
June 17, 2016



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEVADA VOLUNTEERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X no

Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X no

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
94.006	AmeriCorps

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

Auditee Qualified As Low-Risk Auditee? yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

NEVADA VOLUNTEERS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2015

Prior Audit Findings

There were no prior year findings.

Corrective Action Plan

A corrective action plan is not necessary as there are no current year audit findings.