

Deaf Centers of Nevada
Audited Financial Statements
For the Year Ended
June 30, 2016

DEAF CENTERS OF NEVADA

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Deaf Centers of Nevada

We have audited the accompanying financial statements of Deaf Centers of Nevada (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Deaf Centers of Nevada as of June 30, 2016, 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

We have previously audited the Deaf and Hard of Hearing Advocacy Resource Center's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, located to the left of the date and location text.

Reno, NV
September 26, 2017

DEAF CENTERS OF NEVADA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

ASSETS

	Unrestricted	Temporarily Restricted	Totals	
			2016	2015
CURRENT ASSETS				
Cash	\$ 23,395	\$ 16,436	\$ 39,831	\$ 94,150
Grants and Other Receivable	46,279	-	46,279	4,038
Prepaid Expenses	15,508	-	15,508	10,952
Total Current Assets	85,182	16,436	101,618	109,140
PROPERTY AND EQUIPMENT, NET	18,127	-	18,127	5,569
Total Assets	\$ 103,309	\$ 16,436	\$ 119,745	\$ 114,709

LIABILITIES AND NET ASSETS

LIABILITIES				
Accounts Payable	\$ 19,899	\$ -	\$ 19,899	\$ 2,204
Accrued Wages and Payroll Liabilities	19,583	-	19,583	15,778
Reimbursable Grant Funds	36,135	-	36,135	-
Total Liabilities	75,617	-	75,617	17,982
NET ASSETS				
Unrestricted				
Invested in Property and Equipment, net	18,127	-	18,127	5,569
Undesignated	9,565	-	9,565	51,255
Temporarily Restricted	-	16,436	16,436	39,903
Total Net Assets	27,692	16,436	44,128	96,727
Total Liabilities and Net Assets	\$ 103,309	\$ 16,436	\$ 119,745	\$ 114,709

See accompanying notes and independent auditor's report.

**DEAF CENTERS OF NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
SUPPORT AND REVENUES				
Grants	\$ 382,351	\$ -	\$ 382,351	\$ 358,166
Contributions	1,682	-	1,682	712
Youth Events Income	7,995	-	7,995	20,068
Other Income	4,340	-	4,340	4,737
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	23,467	(23,467)	-	-
Total Support and Revenues	<u>419,835</u>	<u>(23,467)</u>	<u>396,368</u>	<u>383,683</u>
 EXPENSES				
Program Services:				
Communication Services Programs	378,019	-	378,019	313,783
Youth Events	30,914	-	30,914	38,072
Supporting Services:				
General and Administrative	40,034	-	40,034	45,931
Total Expenses	<u>448,967</u>	<u>-</u>	<u>448,967</u>	<u>397,786</u>
Changes in Net Assets	(29,132)	(23,467)	(52,599)	(14,103)
NET ASSETS, July 1, 2015	<u>56,824</u>	<u>39,903</u>	<u>96,727</u>	<u>110,830</u>
NET ASSETS, June 30, 2016	<u>\$ 27,692</u>	<u>\$ 16,436</u>	<u>\$ 44,128</u>	<u>\$ 96,727</u>

See accompanying notes and independent auditor's report.

DEAF CENTERS OF NEVADA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	Program Services		
	Communication	Youth Events	Total Program
	Services		
	Programs		Services
Salaries and Wages	\$ 176,064	\$ -	\$ 176,064
Employee Benefits and Payroll Taxes	49,559	-	49,559
Total Personnel Costs	225,623	-	225,623
Advertising	2,709	-	2,709
Bank Charges	560	-	560
Conferences	312	-	312
Dues and Subscriptions	1,367	60	1,427
Equipment Rent and Maintenance	2,489	-	2,489
Insurance	1,587	-	1,587
Interpreting Fees	7,183	-	7,183
Miscellaneous	-	-	-
Office Expense	9,270	2,285	11,555
Postage and Delivery	1,125	58	1,183
Printing and Reproduction	2,404	-	2,404
Professional Services	48,024	5,448	53,472
Program Fees	-	19,450	19,450
Occupancy	43,129	-	43,129
Supplies	9,547	1,260	10,807
Telephone	13,202	-	13,202
Travel and Entertainment	7,588	2,353	9,941
Total Expenses			
Before Non-Cash Expense	376,119	30,914	407,033
Non-Cash Expense			
Depreciation	1,900	-	1,900
Total Expenses	\$ 378,019	\$ 30,914	\$ 408,933

See accompanying notes and independent auditor's report.

DEAF CENTERS OF NEVADA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>Supporting Services</u>	<u>Totals</u>	
	<u>General and Administrative</u>	<u>2016</u>	<u>2015</u>
Salaries and Wages	\$ 14,989	\$ 191,053	\$ 156,637
Employee Benefits and Payroll Taxes	4,310	53,869	48,128
Total Personnel Costs	19,299	244,922	204,765
Advertising	533	3,242	1,240
Bank Charges	111	671	455
Conferences	-	312	702
Dues and Subscriptions	287	1,714	6,020
Equipment Rent and Maintenance	575	3,064	5,402
Insurance	355	1,942	5,111
Interpreting Fees	-	7,183	1,675
Miscellaneous	6,291	6,291	1,626
Office Expense	1,221	12,776	7,619
Postage and Delivery	36	1,219	1,403
Printing and Reproduction	377	2,781	889
Professional Services	5,704	59,176	54,386
Program Fees	-	19,450	5,996
Occupancy	1,053	44,182	53,178
Supplies	3,142	13,949	18,547
Telephone	490	13,692	9,410
Travel and Entertainment	560	10,501	17,374
Total Expenses Before Non-Cash Expense	40,034	447,067	395,798
Non-Cash Expense Depreciation	-	1,900	1,988
Total Expenses	\$ 40,034	\$ 448,967	\$ 397,786

See accompanying notes and independent auditor's report.

**DEAF CENTERS OF NEVADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants and Contributions	341,792	372,482
Cash Received from Youth Events	7,995	20,068
Cash Received from Other Income	4,340	4,737
Cash Paid to Vendors and Employees	(393,988)	(393,999)
Net Cash Provided (Used) by Operating Activities	(39,861)	3,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(14,458)	(3,627)
Net Cash Used by Investing Activities	(14,458)	(3,627)
Net Decrease in Cash	(54,319)	(339)
CASH, July 1, 2015	94,150	94,489
CASH, June 30, 2016	\$ 39,831	\$ 94,150
 CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (52,599)	\$ (14,103)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,900	1,988
(Increase) Decrease in:		
Grants and Other Receivable	(42,241)	13,604
Prepaid Expenses	(4,556)	6,927
Increase (Decrease) in:		
Accounts Payable	17,695	(3,072)
Accrued Liabilities	3,805	(2,056)
Reimbursable Grant Funds	36,135	-
Net Cash Provided by Operating Activities	\$ (39,861)	\$ 3,288

See accompanying notes and independent auditor's report.

DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – NATURE OF ACTIVITIES

Deaf Centers of Nevada (DCNV) provides support and advocacy services throughout the State of Nevada. DCNV has an office in Las Vegas, Nevada. These services include providing information to people who are deaf, hard of hearing, speech-impaired, their families and the general public including:

- Direct consumer assistance
- Education support services
- School-to-school/Work transition
- Interpretive services and sign language programs
- English and ASL translation
- Communication technology
- Video relay and on-line services
- Workshops and training
- Employment access/ADA
- Resource loaner library

Camp SignShine:

DCNV sponsors a week long recreational and educational enrichment program for the deaf and hard of hearing youth, their siblings, and hearing children of deaf adults. The program is staffed by volunteers. Special activities focus on the development of social skills and communication enhancement in a comfortable and safe learning environment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation:

DCNV statements are in accordance with Accounting Standards Codification (ASC) Topic 958, *Financial Statements for Not-for-Profit Organizations*. This topic provides standards for financial reporting by not-for-profit organizations and requires the classification of net assets as follows:

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations be maintained permanently by DCNV.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of DCNV pursuant to those stipulations.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued):

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Cash and Cash Equivalents:

DCNV considers all highly liquid investments with a fixed maturity date of three months or less when purchased to be cash equivalents. DCNV did not have any cash equivalents as of June 30, 2016.

Restricted Cash:

Restricted cash has been restricted by donors and is not available for operating purposes.

Grants Receivable:

Support under grants receivable is recorded when the related amounts are due from grantor agencies. The grants receivable are reimbursable grants. DCNV does not anticipate any collection losses with respect to the receivable balances and has never had a collection loss. Therefore DCNV has deemed the entire grants receivable to be fully collectable and no allowance was established at June 30, 2016.

Property and Equipment:

Property and equipment of DCNV, exceeding the capitalization threshold of \$500, are capitalized and recorded as fixed assets in DCNV's records. Property and equipment are recorded at cost. Donated property is recorded at its estimated fair market value at the date received. Depreciation is calculated using the straight-line method over the estimated useful lives of three to seven years.

Maintenance and repairs are charged to expense as incurred. Renewals and betterments that materially extend the lives of the assets are capitalized.

Revenue Recognition:

DCNV revenue recognition is in accordance with ASC Subtopic 958-605, *Revenue Recognition*. Most of DCNV's revenues are derived from state agencies and federal grants. Under these grants, DCNV is reimbursed for substantially all of their expenditures. DCNV recognizes grant revenue when the related expenditure is made.

DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purposed restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

DCNV reports gifts of furniture and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about the length of time those long-lived assets must be maintained, DCNV reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

Donated Services:

DCNV receives donated services from unpaid volunteers who assist with Camp SignShine. In accordance with ASC Section 958-605-25, *Revenue Recognition*, accounting principles generally accepted in the United States of America require that a not-for-profit organization recognize services if the services received created or enhanced a non-financial asset or require specialized skills. Contributed services and promises to give services that do not meet this criterion shall not be recognized. No amounts have been recognized by DCNV during the fiscal year ending June 30, 2016, in the Statement of Activities because the criteria for recognition has not been satisfied.

Compensated Absences:

Employees of DCNV are entitled to paid vacation and sick pay depending on job classification, length of service and other factors. Accrued vacation and sick pay represents DCNV's liability for the cost of unused employee vacation and sick pay at June 30, 2016.

Income Taxes:

DCNV is a not-for-profit organization, exempt from federal income tax under Internal Revenue Code Section 501(c)(3). DCNV does not engage in activities that would be taxed as unrelated business income. Accordingly, a liability for federal income taxes has not been provided for in the financial statements. DCNV is confident that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Although DCNV has not been notified of any pending federal or state income tax examinations, its returns are subject to examination within a three year statute of limitations. The 2013 through the current period returns are still subject to examination as of June 30, 2016.

DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – NATURE OF ACTIVITIES

Deaf Centers of Nevada (DCNV) provides support and advocacy services throughout the State of Nevada. DCNV has an office in Las Vegas, Nevada. These services include providing information to people who are deaf, hard of hearing, speech-impaired, their families and the general public including:

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DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued):

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Maintenance and repairs are charged to expense as incurred. Renewals and betterments that materially extend the lives of the assets are capitalized.

Revenue Recognition:

DCNV revenue recognition is in accordance with ASC Subtopic 958-605, *Revenue Recognition*. Most of DCNV's revenues are derived from state agencies and federal grants. Under these grants, DCNV is reimbursed for substantially all of their expenditures. DCNV recognizes grant revenue when the related expenditure is made.

**DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purposed restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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Donated Services:

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Compensated Absences:

Employees of DCNV are entitled to paid vacation and sick pay depending on job classification, length of service and other factors. Accrued vacation and sick pay represents DCNV's liability for the cost of unused employee vacation and sick pay at June 30, 2016.

Income Taxes:

DCNV is a not-for-profit organization, exempt from federal income tax under Internal Revenue Code Section 501(c)(3). DCNV does not engage in activities that would be taxed as unrelated business income. Accordingly, a liability for federal income taxes has not been provided for in the financial statements. DCNV is confident that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Although DCNV has not been notified of any pending federal or state income tax examinations, its returns are subject to examination within a three year statute of limitations. The 2013 through the current period returns are still subject to examination as of June 30, 2016.

**DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising:

DCNV expenses advertising costs as they are incurred. Advertising expense totaled \$3,242 for the year ended June 30, 2016.

Summarized Financial Information for June 30, 2015:

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Deaf and Hard of Hearing Advocacy's financial statements for the year ended June 30, 2015 from which the summarized information was derived.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, making it reasonably possible that a change in these estimates could occur in the near term.

Contingencies:

Certain conditions may exist as of the date the financial statements are issued which may result in a loss to DCNV, and will only be resolved when one or more future events occur or fail to occur. DCNV's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment in assessing loss contingencies related to legal proceedings that are pending against DCNV or un-asserted claims that may result in such proceedings, DCNV's legal counsel evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in DCNV's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they arise from guarantees, in which case the guarantees would be disclosed.

As of June 30, 2016, DCNV has not recorded any contingencies.

Recently Issued Accounting Standards:

Accounting standards issued within the current year have been evaluated by the DCNV and there is no material impact to the financial statements for these recently issued accounting standards.

**DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses that can be identified to a specific program are applied directly according to their natural expense classification. Non-specific program costs are allocated to programs and support services based on the best estimates of management.

NOTE 4 – CUSTODIAL CREDIT RISK ON DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposit may not be returned. Amounts held in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured institution. Financial instruments that potentially subject the Board to credit risk include cash in banks and invested. In the event that the financial institutions would cease to exist, the Board was not at risk on December 31, 2015.

NOTE 5 – GRANTS RECEIVABLE

At June 30, 2016, DCNV had \$46,279, substantially all due from the State of Nevada for grant expenditures expended. DCNV received funding for these expenditures after June 30, 2015. This income was properly recognized in the year ended June 30, 2016.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at June 30, 2016, consists of the following:

Computer Equipment	\$ 56,102
Furniture and Equipment	7,157
Office Equipment	36,933
Sign	2,108
Software	<u>14,415</u>
Total Property and Equipment	116,715
Accumulated Depreciation	<u>(98,588)</u>
Property and Equipment, net	<u>\$ 18,127</u>

Depreciation expense for the year ended June 30, 2016 was \$1,900.

NOTE 7 – LINE OF CREDIT

DCNV has an unsecured credit line with a bank for \$5,000. Amounts borrowed from the credit line bear interest at an annual percentage rate of 0%. There was not an outstanding balance at June 30, 2016.

**DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

Program restrictions were satisfied by incurring expenses for the restricted purposes specified by the donors in the amount of \$23,467.

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2016:

Youth Events	<u>\$ 16,436</u>
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NOTE 10 – OPERATING LEASES

DCNV has entered into several operating lease agreements, some of which contain a provision for future rent increases. In accordance with Topic ASC 840, *Leases*, accounting principles generally accepted in the United States of America require that rental income and expenses relating to an operating lease be recognized over the periods in which the lessee derives benefit from the physical usage of the leased property. The total amount of rental payments due over the lease term is being charged to occupancy expense.

DCNV leases various facilities and equipment under operating leases.

The Las Vegas facility entered a non-cancellable lease on July 1, 2013 which will expire on June 30, 2018 at \$2,441 per month. There will be annual rent increases.

Lease expense for these facilities and equipment for the year ended June 30, 2016 totaled \$36,168.

At June 30, 2016, future minimum operating lease payments are as follows:

Year Ending <u>June 30</u>	
2017	\$ 30,171
2018	<u>30,171</u>
	<u>\$ 60,342</u>

NOTE 11 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Unless otherwise indicated, fair values of all reported assets and liabilities, which represent financial instruments (none of which are held for trading purposes), approximate the carrying values of such amounts.

NOTE 12 – RECLASSIFICATIONS

Certain items on the 2015 financial statements have been reclassified to conform to the 2016 presentation. The reclassifications had no impact on the change in net assets as previously presented.

**DEAF CENTERS OF NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13 – CONCENTRATION OF CREDIT RISK

DCNV receives a substantial portion of its revenue from contracts/grants administered by federal and state agencies. Revenue from contracts/grants is considered earned as funds are expended or as services are provided. DCNV's operations are significantly dependent upon this revenue. Most of these grants are subject to spending restrictions. If it were ultimately determined by the grantor that the funds had not been expended for the purposes intended, DCNV could be liable for a refund of part or all of such grant funds.

DCNV does not anticipate any liabilities of this nature as of June 30, 2016.

NOTE 14 – SUBSEQUENT EVENTS

In accordance with ASC Topic 855, *Subsequent Events*, the DCNV evaluated subsequent events through September 26, 2017, the date these financial statements were issued. There are no material subsequent events that required recognition or additional disclosure in these financial statements.