

One Place

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2024

One Place

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Independent Auditor's Report

To the Board of Trustees
One Place

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of One Place, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of One Place as of June 30, 2024, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One Place and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of One Place's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about One Place's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards as required by 9 N.C.A.C Subchapter 3M.0205 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2025, on our consideration of One Place's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of One Place's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering One Place's internal control over financial reporting and compliance.

CohnReznick LLP

Charlotte, North Carolina
April 8, 2025

One Place
Statement of Financial Position
June 30, 2024

Assets

Current assets	
Cash	\$ 7,589
Restricted cash	7,244,806
Sales tax receivable	171,423
Prepaid expenses	<u>2,854</u>
Total current assets	<u>7,426,672</u>
Property and equipment	
Land and improvements	996,717
Construction in progress	<u>7,378,562</u>
Total property and equipment	<u>8,375,279</u>
Total assets	<u><u>\$ 15,801,951</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	<u>\$ 1,662,659</u>
Total current liabilities	<u>1,662,659</u>
Commitments and contingencies	
Net assets	
Without donor restrictions	1,303,766
With donor restrictions	<u>12,835,526</u>
Total net assets	<u>14,139,292</u>
Total liabilities and net assets	<u><u>\$ 15,801,951</u></u>

See Notes to Financial Statements.

One Place

**Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Public support and other operating revenue			
Contracts and grants from			
State grants	\$ -	\$ 3,500,000	\$ 3,500,000
Local government grants	-	333,333	333,333
Foundation grants	410,087	289,913	700,000
Other contributions and grants	1,055,000	350,909	1,405,909
Net assets released from restrictions	<u>68,218</u>	<u>(68,218)</u>	<u>-</u>
Total contracts and grants funding	1,533,305	4,405,937	5,939,242
Interest income	<u>-</u>	<u>260,755</u>	<u>260,755</u>
Total support and revenues	<u>1,533,305</u>	<u>4,666,692</u>	<u>6,199,997</u>
Expenses			
Program	121,438	-	121,438
Supporting services			
Management and general	40,317	-	40,317
Fundraising	<u>55,168</u>	<u>-</u>	<u>55,168</u>
Total expenses	<u>216,923</u>	<u>-</u>	<u>216,923</u>
Change in net assets	1,316,382	4,666,692	5,983,074
Net assets, beginning of year	<u>(12,616)</u>	<u>8,168,834</u>	<u>8,156,218</u>
Net assets, end of year	<u>\$ 1,303,766</u>	<u>\$ 12,835,526</u>	<u>\$ 14,139,292</u>

See Notes to Financial Statements.

One Place

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Supporting services			Grand total	
	Program	Management and general	Fundraising		Total
Bank Service Charges	\$ -	\$ 235	\$ -	\$ 235	\$ 235
Business Registration Fees	-	909	-	909	909
Insurance	-	3,350	-	3,350	3,350
Grant Expense	80,228	-	-	-	80,228
Accounting and Legal Fees	20,689	20,689	-	20,689	41,378
Office Supplies	18	18	-	18	36
Outside Contract Services	20,503	-	-	-	20,503
Facilities and Equipment	-	15,116	-	15,116	15,116
Consultants	-	-	48,017	48,017	48,017
Other	-	-	7,151	7,151	7,151
	\$ 121,438	\$ 40,317	\$ 55,168	\$ 95,485	\$ 216,923

See Notes to Financial Statements.

One Place

Statement of Cash Flows Year Ended June 30, 2024

Cash flows from operating activities	
Change in net assets	\$ 5,983,074
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Increase) decrease in assets	
Sales tax receivables	(171,423)
Prepaid expenses	382
(Decrease) increase in liabilities	
Accounts payable	<u>(58,045)</u>
Net cash provided by operations	<u>5,753,988</u>
Cash flows from investing activities	
Cash used for construction in progress	<u>(5,006,390)</u>
Net cash used in investing activities	<u>(5,006,390)</u>
Increase in cash and restricted cash	747,598
Cash and restricted cash at beginning of year	<u>6,504,797</u>
Cash and restricted cash at end of year	<u>\$ 7,252,395</u>
Supplemental Disclosure for Non-Cash Investing Activity	
Non-cash additions to construction in progress	\$ 1,619,559
Vendor payables capitalized to construction in progress	<u>(1,619,559)</u>
Total	<u>\$ -</u>

See Notes to Financial Statements.

One Place

Notes to Financial Statements June 30, 2024

Note 1 - Nature of organization

One Place is a legally separate nonprofit organization incorporated in North Carolina on June 23, 2021. One Place was established to develop and provide, through public and private means, early childhood education and developmental services for children and families. One Place is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code. One Place is currently constructing a building which will house the program services.

Note 2 - Significant accounting policies

Basis of accounting

One Place's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative GAAP for non-governmental entities.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property and equipment

Property and equipment is stated at cost at date of acquisition or fair value at the date of gift. All items over \$2,500 are capitalized. Depreciation on equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Land	None
Building and improvements	15 - 40 years
Land improvements	15 - 20 years
Furniture, fixtures, and equipment	5 - 12 years

Basis of presentation and net assets

GAAP requires One Place 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. Furthermore, program service expenses must be segregated from management and general expenses. Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are available for use in general operations and are not subject to donor- or certain grantor-imposed restrictions. From time to time, the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. Net assets with donor restrictions are those net assets for which use is restricted by grantor-imposed, time and/or purpose restrictions.

Income tax status

One Place is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state statutes. One Place did not have any unrelated business income for the year ended June 30, 2024. All nonprofit corporations are required to file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and there are no other tax positions which must be considered for disclosure. For the year ended June 30, 2024, One Place did not identify any uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

One Place

Notes to Financial Statements June 30, 2024

Income tax returns filed by One Place are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2021 remain open.

Revenue recognition

Contributions without donor restrictions are recognized when cash or ownership of donated assets is unconditionally promised to One Place. Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Contributions are classified as net assets without donor restrictions if the restriction is met within the same reporting period as revenue recognition. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are met and the right of return is extinguished.

Gifts of long-lived assets and gifts of cash restricted for the acquisition or construction of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Functional allocation of expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using objective bases such as time spent and salaries. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of One Place. Management and general activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resource management, and similar activities.

Net assets without donor restrictions

Net assets without donor restrictions are available for use at the discretion of the board of directors and/or management for general operating purposes. From time to time, the board designates a portion of these net assets for specific purposes that makes them unavailable for use at management's discretion.

Net assets with donor restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

One Place reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, the net assets are

One Place

Notes to Financial Statements June 30, 2024

reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting One Place to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or board approved spending policy.

Accounts and grants receivable

One Place records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities and changes in net assets. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accordingly, there is no provision for credit losses related to receivables as of June 30, 2024.

Note 3 - Liquidity and availability

One Place has the following financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures and investments as follows:

Cash	\$	7,589
Sales tax receivable		<u>171,423</u>
Total financial assets available within one year	\$	<u><u>179,012</u></u>

Financial assets of One Place are intended to be sufficient to meet their general expenditures, liabilities and other obligations as they become due. Accounts payable related to construction of the building will be paid with restricted cash.

Note 4 - Cash and restricted cash

One Place maintains cash in bank deposit accounts which may, at times, exceed federally insured limits. One Place has not experienced any losses in such accounts and it monitors the credit-worthiness of the financial institutions with which it conducts business. Management does not perceive any significant credit risk on its cash and other deposits during year ended June 30, 2024.

Restricted cash consists of grant funds received for the purpose of construction of the building.

Note 5 - Note payable

In December 2023, One Place obtained a commercial construction loan in the amount of \$5,000,000 with a 7% interest rate. The loan will be secured by land owned by One Place. As of June 30, 2024 no amount was outstanding on the loan.

Note 6 - Significant grants

In July 2021, the North Carolina Office of State Budget and Management awarded One Place a financial assistance award in the total amount of \$8,000,000 for the construction of a building. As of June 30, 2024, \$7,034,141 was utilized.

One Place

Notes to Financial Statements June 30, 2024

In July 2023, the North Carolina Office of State Budget and Management awarded One Place a financial assistance award in the total amount of \$3,500,000 for the construction of a building. As of June 30, 2024, no amount was utilized.

Note 7 - Net assets

One Place's net assets with donor restrictions are restricted for the following purposes or periods, as follows:

Building Construction	<u>\$ 12,835,526</u>
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Note 8 - Construction contract

One Place entered into a general contractor agreement with McKinley Building Corp for services related to the construction of a building. The original contract amount was \$17,099,417. As of June 30, 2024, \$5,975,249 has been incurred and \$1,613,784 remains payable, including retainage of \$314,487.

Note 9 - Related party transaction

During the year ended June 30, 2024, One Place received a grant in the amount of \$55,000 from Onslow County Partnership for Children, Inc. ("Onslow Partnership"). Several of the board members of the Onslow Partnership are board members of One Place. Additionally, during the year ended June 30, 2024, grant expenses in the amount of \$80,228 were paid to Onslow for a grant program being administered by Onslow Partnership.

Note 10 - Subsequent events

One Place evaluates subsequent events in accordance with ASC Topic No. 855, *Subsequent Events*. The guidance requires an entity to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. In preparing these financial statements, One Place has evaluated events and transactions for potential recognition or disclosure through April 8, 2025, the date the financial statements were available to be issued, and concluded no subsequent events, other than described below, have occurred that would require recognition in the financial statements or disclosure is required in the notes to the financial statements.

In March 2025, One Place obtained a \$8,000,000 loan and closed the loan described in note 5. As of the report date, \$1,763,579 is outstanding on the new construction loan.

State Award Compliance Information

One Place

Schedule of Expenditures of State Awards
Year Ended June 30, 2024

<u>State Grantor/Pass-through Grantor/Program</u>	<u>Contract Number</u>	<u>Expenditures</u>
North Carolina Office of State Budget and Management SCIF Grant	30711	\$ 5,254,807
Total Expenditures of State Awards		\$ 5,254,807

See Notes to Schedule of Expenditures of State Awards.

One Place

Notes to Schedule of Expenditures of State Awards Year Ended June 30, 2024

Note 1 - Basis of presentation

The accompanying Schedule of Expenditures of State Awards (the "Schedule") presents the state award activity of One Place under the North Carolina Office of State Budget and Management SCIF Grant for the year ended June 30, 2024. 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, Audit Requirements for Federal Awards* ("Uniform Guidance") and 9 N.C.A.C Subchapter 3M.0205. Because the Schedule presents only a selected portion of the operations of One Place, it is not intended to and does not present the financial position, changes in net assets, or cash flows of One Place.

Note 2 - Summary of significant accounting policies

Basis of accounting

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

One Place has elected to not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To Board Members of One Place
Jacksonville, North Carolina

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 One Place (a nonprofit organization), which comprise the statement of financial position as of and for the year ended June 30, 2024, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered One Place's internal control over financial reporting as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of One Place's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of One Place's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 One Place's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.



Charlotte, North Carolina
April 8, 2025

Independent Auditor's Report on Compliance for the Major State Program and Report on
Internal Control over Compliance Required by the Uniform Guidance and 9 N.C.A.C

To the Board of Directors
One Place

Report on Compliance for the Major State Program (North Carolina SCIF Program)

Opinion on Compliance for the North Carolina SCIF Program

We have audited One Place's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the North Carolina Office of State Budget and Management's North Carolina Administrative Code ("N.C.A.C") that could have a direct and material effect on One Place's North Carolina SCIF Program ("SCIF Program") for the year ended June 30, 2024. One Place's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, One Place complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the SCIF Program for the year ended June 30, 2024.

Basis for Opinion on the SCIF Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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") and 9 N.C.A.C Subchapter 3M.0205 ("9 N.C.A.C"). 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 One Place 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 opinion on compliance for the SCIF Program. Our audit does not provide a legal determination of One Place'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 the SCIF program.

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 to express an opinion on One Place'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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and 9 N.C.A.C Subchapter 3M.0205 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 One Place's compliance with the requirements of its SCIF program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and 9 N.C.A.C Subchapter 3M.0205, 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 One Place'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 One Place'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 One Place'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 state 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 state 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 state 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 have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Charlotte, North Carolina
April 8, 2025

One Place

Schedule of Findings and Questioned Costs
June 30, 2024

A. Summary of Auditor's Results
Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

State Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) and 9 N.C.A.C Subchapter 3M.0205? Yes X No

Identification of major state programs:

Name of State Program
SCIF Grant

Dollar threshold used to distinguish type A and B programs: Not applicable

Auditee qualified as a low-risk auditee? X Yes No

B. Financial Statement Findings

None reported.

C. State Award Findings and Questioned Costs

None reported.



Independent Member of Nexia

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