



SHARPE
PATELCPA

ONE PLACE

FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION

June 30, 2025

**ONE PLACE
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
One Place
Jacksonville, North Carolina

Opinion

We have audited the accompanying financial statements of One Place (a nonprofit organization), which comprises the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Place as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial 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 the Organization 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 within 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.2025 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 September 8, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Organization'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 the Organization's internal control over financial reporting and compliance.

Sharpe Patel PLLC

Raleigh, North Carolina
September 8, 2025

ONE PLACE
Statement of Financial Position
June 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 266,953
Restricted cash and cash equivalents	1,376,216
Sales tax receivable	50,769
Prepaid expenses	-
Total current assets	<u>1,693,938</u>

Property and equipment:

Land and improvements	996,717
Construction in progress	<u>19,064,416</u>
Total property and equipment	20,061,133
Less: accumulated depreciation	-
Total property and equipment, net	<u>20,061,133</u>

Total assets	<u><u>\$ 21,755,071</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 377,852
Retainage payable	835,028
Current portion of long-term debt	-
Total current liabilities	<u>1,212,880</u>

Long-term liabilities:

Note payable	<u>4,669,628</u>
Total long-term liabilities	<u>4,669,628</u>

Total liabilities	<u>5,882,508</u>
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Net assets:

With donor restriction	2,607,639
Without donor restrictions	<u>13,264,924</u>
Total net assets	<u>15,872,563</u>

Total liabilities and net assets	<u><u>\$ 21,755,071</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

ONE PLACE
Statement of Activities
For the Year Ended June 30, 2025

	Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
State grants	\$ -	\$ -	\$ -
Federal grants	-	251,226	251,226
Local governments grants	-	333,333	333,333
Foundation grants	-	975,000	975,000
Other contributions and grants	-	277,237	277,237
Other income	84,000	-	84,000
Total public support	<u>84,000</u>	<u>1,836,796</u>	<u>1,920,796</u>
Revenue:			
Interest Income	-	94,995	94,995
Total revenue	<u>-</u>	<u>94,995</u>	<u>94,995</u>
Net assets released from restriction	<u>12,159,678</u>	<u>(12,159,678)</u>	<u>-</u>
Total public support and revenue	<u>12,243,678</u>	<u>(10,227,887)</u>	<u>2,015,791</u>
EXPENSES			
Program services	<u>66,024</u>	<u>-</u>	<u>66,024</u>
Supporting services:			
Management and general	109,111	-	109,111
Fundraising	107,385	-	107,385
Total supporting services	<u>216,496</u>	<u>-</u>	<u>216,496</u>
Total expenses	<u>282,520</u>	<u>-</u>	<u>282,520</u>
Change in net assets	11,961,158	(10,227,887)	1,733,271
Net assets at beginning of year	<u>1,303,766</u>	<u>12,835,526</u>	<u>14,139,292</u>
Net assets at end of year	<u><u>\$ 13,264,924</u></u>	<u><u>\$ 2,607,639</u></u>	<u><u>\$ 15,872,563</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

ONE PLACE
Statement of Functional Expenses
For the Year Ended June 30, 2025

		Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting	
EXPENSES	Program Service				
Bank service charges	\$ -	\$ 45	\$ -	\$ 45	\$ 45
Taxes and licenses	-	404	-	404	404
Insurance	-	6,092	-	6,092	6,092
Interest	-	64,975	-	64,975	64,975
Grant expense	22,212	-	-	-	22,212
Contract services	16,731	-	-	-	16,731
Accounting fees	22,594	22,594	-	22,594	45,188
Lobbying fees	4,474	-	-	-	4,474
Fundraising consultants	-	-	36,900	36,900	36,900
Fundraising other	-	-	582	582	582
Employee leasing	-	14,988	69,903	84,891	84,891
Utilities	13	13	-	13	26
Total expenses	<u>\$ 66,024</u>	<u>\$ 109,111</u>	<u>\$ 107,385</u>	<u>\$ 216,496</u>	<u>\$ 282,520</u>

The accompanying notes to the financial statements are an integral part of these statements.

ONE PLACE
Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 1,733,271
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	-
Changes in assets and liabilities that provided (used) cash:	
Sales tax receivable	120,654
Prepaid expenses	2,854
Accounts payable	(1,284,807)
Retainage payable	835,028
	<u>1,407,000</u>
Net cash provided (used) by operating activities	<u>1,407,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	<u>(11,685,854)</u>
Net cash provided (used) by investing activities	<u>(11,685,854)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from the issuance of long-term debt	<u>4,669,628</u>
Net cash provided (used) by financing activities	<u>4,669,628</u>
Net increase (decrease) in cash and cash equivalents	(5,609,226)
Cash, cash equivalents and restricted cash, beginning of year	<u>7,252,395</u>
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 1,643,169</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

ONE PLACE
Notes to the Financial Statements
June 30, 2025

1. NATURE OF THE ORGANIZATION

Nature of the Organization

One Place (the “Organization”) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without restrictions” and “net assets with restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and charges therein, are classified and reported as follows:

Net assets without restrictions – Consists of amounts that are available for use in carrying out the supporting activities of the Organization and not subject to donor-imposed stipulations. Net assets without restrictions totaled \$13,264,924 as of June 30, 2025.

Net assets with restrictions – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Organization and/or the passage of time. As of June 30, 2025, net assets with restrictions totaled \$2,607,639.

ONE PLACE
Notes to the Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

For purposes of the statement of cash flows, the Organization considers cash in the bank, all cash held on hand, and highly liquid investments to be cash and cash equivalents with an original maturity date of three months or less.

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

Property and Equipment

Property and equipment are recorded at cost if purchased and fair market value if donated. It is the Organization's policy to capitalize expenditures for these items with a cost or fair market value in excess of \$2,500. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Donated Items and Services (Gifts in Kind)

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the year ended June 30, 2023. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as support without restriction, 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 must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Contributions and Grants

Contributions and grants received are recorded as support with or without restrictions depending on the existence and/or nature of any donor/grantor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due more than one year in the future are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions that are met in the same period as receipt are reported as support without restrictions.

ONE PLACE
Notes to the Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants (Continued)

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

Program services – Comprise activities that contribute to the Organization’s mission.

Supporting services – Includes activities such as management and general services required to ensure an adequate working environment, provide administrative support and manage the Organization’s financial and budgetary functions. Fundraising expenses are the cost of the Organization to solicit and obtain contributions and funding.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state statutes. The Organization did not have any unrelated business income for the year ended June 30, 2025. 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, 2025, the Organization did not identify any uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Income tax returns filed by the Organization 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 2022 remain open.

Advertising Expense

Advertising costs are expensed when incurred and totaled \$0 for the year ended June 30, 2025.

3. CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. The Organization maintains its cash balances in reputable financial institutions in the United States of American and accounts at each institution are insured by the Federal Deposit Insurance Corporations up to \$250,000 at each financial institution. At June 30, 2025, the Organization’s cash deposits exceed the FDIC insured limits by approximately \$1,143,144.

The Organization receives a major portion of its support and revenue from government grants and local contributions. A reduction in the level of this support could possibly have a significant effect on the Organization’s programs and activities.

ONE PLACE
Notes to the Financial Statements
June 30, 2025

4. NOTE PAYABLE

In March 2025, the Organization obtained a commercial construction loan in the amount of \$8,000,000 with a 7% interest rate. The loan will be secured by land owned by the Organization. As of June 30, 2025 the loan had a balance of \$4,669,628. The project was not complete as of June 30, 2025, therefore no future maturities could be determined.

5. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2025 related to the construction of a new building amounted to \$2,607,639.

6. LIQUIDITY AND AVAILABILITY OF FUNDS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

Cash	\$ 266,953
Restricted cash	1,376,216
Sales tax receivable	50,769
Less: accounts payable	(377,852)
Less: retainage payable	(835,028)
Less: with donor restrictions	<u>(2,607,639)</u>
Total financial assets available to meet general expenditures and liabilities within the next 12 months	<u><u>\$ (2,126,581)</u></u>

At June 30, 2025, all net assets without restrictions are available to meet cash needs for general expenditures of the Organization with one year.

7. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the Organization received a grant in the amount of \$251,226 from Onslow County Partnership for Children, Inc. ("Onslow Partnership"). Several of the board members of the Onslow Partnership are board members of the Organization. Additionally, during the year ended June 30, 2025, grant expenses in the amount of \$22,212 were paid to Onslow for a grant program being administered by Onslow Partnership.

8. CONSTRUCTION COMMITMENT

The Organization entered into a general contractor agreement for services related to the construction of a building. The original contract amount was \$17,099,417 with change orders of \$894,791 for a total contract amount of \$17,994,208. As of June 30, 2025, \$17,096,893 has been incurred and \$1,231,373 remains payable, including retainage of \$854,845.

ONE PLACE
Notes to the Financial Statements
June 30, 2025

9. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 8, 2025, which is the date the financial statements were available to be issued.

No other significant events or transactions were identified that would require adjustment or disclosure in the financial statements.

ONE PLACE
Schedule of Expenditures of Federal and State Awards
June 30, 2025

State Grantor/Pass-through Grantor/Program Title	Contract Number	State Expenditures
<u>North Carolina Office of State Budget and Management</u>		
SCIF grant	30711	\$ 1,861,084
Regional economic development reserve	32151	<u>3,500,000</u>
Total expenditures of State awards		<u><u>\$ 5,361,084</u></u>

Notes to the Schedule of State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of State awards (SEFSA) includes the State grant activity of One Place under the North Carolina Office of State Budget and Management for the year ended June 30, 2025. 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 Requirements for Federal Awards and the State Single Audit Implementation Act* (Uniform Guidance). 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 position, or cash flows of One Place.

Note 2: Summary of Significant Accounting Policies

This Schedule is presented on the accrual basis of accounting. Expenditures are recognized following 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

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SHARPE
PATEL CPA

**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 the Board of Directors
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, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise One Place's basic financial statements, and have issued our report thereon dated September 8, 2025.

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 (internal control) to determine 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. Accordingly, we do not express an opinion on the effectiveness of One Place'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sharpe Patel PLLC

Raleigh, North Carolina
September 8, 2025



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

To the Board of Directors
One Place
Jacksonville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited One Place's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, that could have a direct and material effect on each of One Place's major state programs for the year ended June 30, 2025. One Place's major state programs are 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state 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 One Place's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about One Place's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 a 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 were not identified.

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

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

Sharpe Patel PLLC

Raleigh, North Carolina

September 8, 2025

ONE PLACE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

A. Summary of Auditor's Results

Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiency(s) identified that are
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the financial statements noted _____ yes X no

State Awards

Internal control over major State programs:

Material weaknesses identified? _____ yes X no

Significant deficiency(s) identified that are
not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with the State Single Audit
Implementation Act _____ yes X no

Identification of major State programs:

Program Name

SCIF Grant

Rural Economic Development Reserve

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

Auditee qualified as a low-risk auditee? X yes _____ no

ONE PLACE
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

B. Financial Statement Findings

None reported

C. State Award Findings and Questioned Costs

None reported