

ONE COMMUNITY NOW, INC.

Financial Statements

December 31, 2023

(With Independent Auditors' Report Thereon)

ONE COMMUNITY NOW, INC.

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Independent Auditors' Report

The Officers and Board of Directors
One Community Now, Inc.:

Opinion

We have audited the accompanying financial statements of One Community Now, Inc. ("the Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement 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 Community Now, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity 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 One Community Now, Inc. 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 opinions.

Responsibilities of Management 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 the Organization'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.

(continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 federal 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 July 16, 2024, 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.

Report on Summarized Comparative Information

We have previously audited One Community Now, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

FONTANA CPAs



July 16, 2024

ONE COMMUNITY NOW, INC.

Statement of Financial Position

December 31, 2023

With Comparative Totals for 2022

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 722,727	\$ 690,673
Certificates of deposit	142,695	139,663
Grants receivable	103,782	151,241
Deposits	10,660	18,242
Other assets	2,602	3,056
Total current assets	982,466	1,002,875
Property and equipment, net of accumulated depreciation	1,645,029	1,514,922
Total assets	\$ 2,627,495	\$ 2,517,797
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 15,598	\$ 26,546
Accrued payroll	11,405	15,705
Deposits	6,850	1,800
Deferred revenue	—	183,186
Total current liabilities	33,853	227,237
Notes payable	506,114	506,114
Total liabilities	539,967	733,351
Net assets:		
Without donor restrictions	2,087,528	1,784,446
With donor restrictions	—	—
Total net assets	2,087,528	1,784,446
Total liabilities and net assets	\$ 2,627,495	\$ 2,517,797

See accompanying notes to financial statements.

ONE COMMUNITY NOW, INC.

Statement of Activities

Year ended December 31, 2023
With Comparative Totals for 2022

	Without donor restrictions	With donor restrictions	Total 2023	Total 2022
Revenue and other support:				
Grants	\$ 1,381,262	\$ —	\$ 1,381,262	\$ 2,152,691
Contributions	144,653	—	144,653	120,908
Employee Retention Credit	132,693	—	132,693	—
Rental	71,399	—	71,399	31,193
Interest income	8,755	—	8,755	5,245
In-kind	4,253	—	4,253	19,913
Other	395	—	395	3,035
Special events	264,277	—	264,277	212,673
Total revenue and other support	2,007,687	—	2,007,687	2,545,658
Expenses:				
Program expenses	1,521,345	—	1,521,345	2,346,592
Support services	183,260	—	183,260	119,982
Total expenses	1,704,605	—	1,704,605	2,466,574
Increase in net assets before Other Changes	303,082	—	303,082	79,084
Other Changes - Income				
Merger with other organization (Note 10)	—	—	—	65,228
Total other changes	—	—	—	65,228
Increase in net assets	303,082	—	303,082	144,312
Net assets at beginning of year	1,784,446	—	1,784,446	1,640,134
Net assets at end of year	\$ 2,087,528	\$ —	\$ 2,087,528	\$ 1,784,446

See accompanying notes to financial statements.

ONE COMMUNITY NOW, INC.

Statement of Functional Expenses

Year ended December 31, 2023

With Comparative Totals for 2022

	<u>Supporting services</u>			<u>Total expenses</u>	
	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>2023</u>	<u>2022</u>
Payroll and employee benefits	\$ 277,622	\$ 59,405	\$ 15,031	352,058	\$ 367,153
Housing and utility assistance	921,982	—	—	921,982	1,677,440
Pack-a-Sack Scholarships	166,564	—	—	166,564	192,767
Bank and processing fees	—	1,493	1,986	3,479	3,742
Facility and Equipment rental	10,570	—	933	11,503	18,581
Event Services & Supplies	29,252	—	12,394	41,646	34,053
Dues and subscriptions	—	3,336	—	3,336	1,807
Computer and internet	—	2,582	—	2,582	1,924
Repairs and maintenance	32,962	1,716	—	34,678	31,337
Property Improvements	17,032	—	—	17,032	20,652
Supplies	4,964	6,894	5,099	16,957	18,107
Marketing and advertising	—	2,020	—	2,020	9,185
Printing and postage	1,087	1,035	2,884	5,006	8,556
Website and software	—	6,783	3,168	9,951	9,311
Professional fees	—	30,696	—	30,696	20,478
Insurance	—	10,517	—	10,517	6,547
Storage	2,988	—	—	2,988	2,988
Transportation and delivery	—	3,188	—	3,188	2,301
Utilities	1,352	3,111	—	4,463	—
Other	2,617	8,989	—	11,606	3,231
Total expenses before depreciation	<u>1,468,992</u>	<u>141,765</u>	<u>41,495</u>	<u>1,652,252</u>	<u>2,430,160</u>
Depreciation	52,353	—	—	52,353	36,414
Total expenses	<u>\$ 1,521,345</u>	<u>\$ 141,765</u>	<u>\$ 41,495</u>	<u>\$ 1,704,605</u>	<u>\$ 2,466,574</u>

See accompanying notes to financial statements.

ONE COMMUNITY NOW, INC.

Statement of Cash Flows

Year ended December 31, 2023

With Comparative Totals for 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 303,082	\$ 144,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
In-kind donation	—	(1,447)
Depreciation	52,353	36,414
Changes in assets and liabilities:		
Deposits	7,582	(18,242)
Grants and accounts receivable	47,459	(151,241)
Other assets	454	(3,056)
Accounts payable, accrued liabilities, and deferred revenue	(193,384)	138,207
Net cash provided by operating activities	<u>217,546</u>	<u>144,947</u>
Cash flows from investing activities:		
Net change in certificates of deposit	(3,032)	(2,870)
Purchases of property and equipment	(182,460)	(514,735)
Net cash used in investing activities	<u>(185,492)</u>	<u>(517,605)</u>
Cash flows from financing activities:		
Increase of notes payable	—	506,114
Net cash provided by financing activities	<u>—</u>	<u>506,114</u>
Net change in cash and cash equivalents	32,054	133,456
Cash and cash equivalents at beginning of year	<u>690,673</u>	<u>557,217</u>
Cash and cash equivalents at end of year	<u>\$ 722,727</u>	<u>\$ 690,673</u>

See accompanying notes to financial statements.

ONE COMMUNITY NOW, INC.

Notes to Financial Statements

December 31, 2023

(1) **Organization**

One Community Now, Inc. (the "Organization") is a tax-exempt 501(c)(3) faith-based community organization founded in 2009. Their mission is to help children, families and veterans who are homeless or at-risk of becoming homeless to improve their health and economic condition. The Organization collaborates with churches, businesses, schools, organizations, and government entities to help combine community resources to fulfil the mission.

Their key programs focus on eradicating childhood hunger, empowering employment success, and ending veteran homelessness.

The Organization does not intend to duplicate services or resources that are already provided in the community but instead try to help educate those in the community about resources that are available.

(2) **Summary of Significant Accounting Policies**

(a) *Basis of Accounting*

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - net assets that are not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions - net assets consist of restricted contributions and the remaining portion of donor-restricted contributions. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reported in the statement of activities and changes in net assets as assets released from restrictions. The Organization has \$0 of Net Assets with Donor Restrictions at December 31, 2023.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

(b) *Cash and Cash Equivalents*

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from financial institutions (including cash items in the process of clearing) and interest-bearing deposits in financial institutions with an original maturity of 90 days or less.

(c) *Prepaid Assets*

Prepaid assets are primarily event deposits and insurance coverage costs.

ONE COMMUNITY NOW, INC.

Notes to Financial Statements

December 31, 2023

(d) *Contributed Services*

The accompanying financial statements do not reflect a provision for contributed services inasmuch as no objective basis is available by which the value of such services may be determined. All of the officers and a number of volunteers have contributed significant amounts of time to the Organization.

(e) *Allocation of Administrative Expenses*

The cost of providing the program services has been allocated among the program services benefitted.

(f) *Income Taxes*

The Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) clarifies accounting for uncertainty in income taxes reported in the financial statements. The interpretation provides criteria for assessment of individual tax positions and a process for recognition and measurement of uncertain tax positions. Tax positions are evaluated on whether they meet the “more likely than not” standard for sustainability upon examination by tax authorities. The Organization is a not-for-profit organization generally exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(6), except for income considered to be unrelated business income. The Organization did not have any net unrelated business income during the year ended December 31, 2023.

(g) *Concentrations of Credit Risk*

Financial instruments which could subject the Organization to concentrations of credit risk consist principally of bank accounts. The Organization limits its credit risk exposure by placing its investments with established financial institutions.

(h) *Summarized Financial Information for 2022*

The financial information for the year ended December 31, 2022, presented for comparative purposes, is not intended to be a complete presentation. Certain 2022 amounts have been reclassified to conform to the 2023 presentation.

(3) *Liquidity and Availability of Financial Assets*

The following represents the Organization’s financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions with-in one year of the statement of financial position date.

ONE COMMUNITY NOW, INC.

Notes to Financial Statements

December 31, 2023

(3) Liquidity and Availability of Financial Assets (continued)

Cash and cash equivalents	\$	722,727
Certificates of deposit		142,695
Grants receivable		103,782
Total liquid financial assets, at year end		<u>969,204</u>
Less those unavailable for general expenditures within one year:		
Accounts payable		(15,598)
Accrued payroll		(11,405)
Total amount unavailable for general expenditures within one year		<u>(27,003)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>942,201</u></u>

The financial assets available to meet cash needs for general expenditures in the amount of \$942,201 above represents approximately 205 days of operating expenses.

(4) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are allocated based on direct usage or management's estimates of the benefit derived by each activity.

(5) Certificates of Deposit

The Organization has a certificate of deposit. The following is a schedule showing the maturity date, and interest rate:

<u>Maturity</u>	<u>Amount</u>	<u>Interest rates</u>
August 2024	\$ 76,882	2.00%
September 2024	\$ 37,547	2.00%
October 2026	\$ 28,266	4.00%

ONE COMMUNITY NOW, INC.

Notes to Financial Statements

December 31, 2023

(6) Fixed Assets

Fixed assets consist of the following at December 31, 2023:

		<u>Estimated useful lives</u>
Land	\$ 181,444	-
Building	1,329,415	30 -39 years
Building improvements	194,021	7 years
Automobile	34,098	5 years
Furniture and Equipment	8,908	7 years
	<u>1,747,886</u>	
Less accumulated depreciation and amortization	<u>(102,857)</u>	
	<u>\$ 1,645,029</u>	

(7) Operating Leases

The Organization leases certain office equipment under operating leases. The lease agreements provide for minimum lease payments. The lease agreements do not include any material residual value or guarantees or restrictive covenants. These leases are not material to the financial statements, and are not reflected on the accompanying Statement of Financial Position.

(8) Contributed Non-Financial Assets

All non-financial contributions were utilized by the Organization's programs and supporting services. There were no donor imposed restrictions associated with the contributions.

The components of Contributions in kind to the Organization consist of the following for the year ended December 31, 2023:

Donated services	\$ 4,000
Donated goods	<u>253</u>
Total non-financial contributions in kind	<u>\$ 4,253</u>

ONE COMMUNITY NOW, INC.

Notes to Financial Statements

December 31, 2023

(9) Note Payable

During 2022 the Organization received state funds passed through Pasco County, Florida under the State Housing Initiative Partnership (SHIP) Program to acquire property and buildings. The property will be used to provide affordable housing as defined in the SHIP Regulations for the period set forth in the mortgage and note encumbering the land. The Organization recorded a note payable in the amount of \$506,114.

The terms of the note payable stated that provided the Organization is not in breach or default under the terms of the Note or any other agreement to which the Organization and County are parties, payment of the amount owed under the Note shall be deferred for a period of 30 years. Provided that the Organization is not in breach or default under the terms of the Note or any other agreement to which Borrower and County are parties for the duration of the Deferment Period the principal and accrued interest hereon shall be forgiven in its entirety at the expiration of the Deferment Period.

(10) Merger with Connections Job Development Corporation

On December 31, 2021, Connections Job Development Corp. closed its operations and subsequently merged with One Community Now Inc. (the "Merger"). The Merger was completed in accordance with approval of both Boards of Directors of the corporations on August 31, 2021. As a result of the Merger, One Community Now Inc. became the surviving entity and Connections Job Development Corp. ceased to exist as a separate legal entity.

During the Merger, certain assets of Connections Job Development Corp. were transferred to One Community Now Inc. These assets were recorded at their fair values as of the effective date of the Merger, resulting in a partial transfer of Connections Job Development Corp.'s assets to One Community Now Inc. in 2021. The remaining assets of Connections Job Development Corp. were transferred to One Community Now Inc. in 2022.

(11) Concentrations

The amount of revenue provided by the HEART Grant represents 39% of the Organization's operating revenue. This grant ended June 30, 2023.

(12) Subsequent Events

Management has evaluated subsequent events through July 16, 2024, the date which the financial statements were available for issue and has concluded that there are no subsequent events requiring disclosure.

Supplementary Information

ONE COMMUNITY NOW, INC.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2023

Grantor/Pass-Through Grantor Program Title	Grant period	Federal CFDA #	Federal Expenditures	Total by Program
Department of the Treasury				
<i>Passed Through Pasco County, Florida</i>				
Helping with Emergency Assistance Relief for Tenants (HEART)- ARPA	01/01/2022-6/30/2023	21.023	\$ 783,186	783,186
Total Department of Treasury			783,186	
Department of Housing and Urban Development				
<i>Passed Through Pasco County, Florida</i>				
Community Development Block Grant -CARES	11/15/2022- 7/31/2023	14.218	14,193	
Community Development Block Grant	10/25/2022 9/30/2024	14.218	36,819	
Community Development Block Grant	10/01/2022 -9/30/2024	14.218	85,591	136,603
Tennant Based Rental Assistance	10/01/2022 -9/30/2024	14.239	120,171	120,171
Emergency Solutions Grants Program - CARES	11/01/2022 - 8/31/2023	14.231	56,559	
Emergency Solutions Grants Program	10/01/2023 - 9/30/2024	14.231	20,593	
Emergency Solutions Grants Program	10/01/2023 - 9/30/2024	14.231	30,418	
Emergency Solutions Grants Program	10/01/2022 -9/30/2023	14.231	4,111	
Emergency Solutions Grants Program	10/01/2022 -9/30/2023	14.231	34,788	146,469
Total Department of Health and Human Services			403,243	
Department of Homeland Security				
<i>Passed Through United Way of Pasco County:</i>				
Emergency Food and Shelter National Board Program - Phase ARPA-R	11/01/2021 - 4/30/2023	97.024	1,895	
Emergency Food and Shelter National Board Program	11/01/2021 - 12/31/2023	97.024	14,500	16,395
Department of Labor				
Homeless Veterans' Reintegration Program	3/01/2022 - 6/30/2022	17.805	10,000	10,000
Total Federal Expenditures			1,212,824	1,212,824

ONE COMMUNITY NOW, INC.

Notes to Schedule of Expenditures of Federal and State Awards

December 31, 2023

(1) General

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Indirect Cost Rates

The Organization has elected not to use the 10% de minimis indirect cost rate for its federal programs for the year ended December 31, 2023. The indirect cost rates used on the Organization's federal programs are determined by the relevant awarding agency.



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Fontana CPAs, P.A.

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

The Board of Directors
One Community Now, Inc.:

We have audited the financial statements of One Community Now, Inc. (the Organization) as of and for the year ended December 31, 2023, and have issued our report thereon dated July 16, 2024. 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, the financial statements of One Community Now, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

FONTANA CPAs

July 16, 2024



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Independent Auditors’ Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance of Federal Awards Required by the Uniform Guidance

The Board of Directors
One Community Now, Inc:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited One Community Now, Inc. (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’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 Organization’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’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 the Organization’s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 the Organization'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 the Organization'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, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during the 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 the testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FONTANA CPAs



July 16, 2024

ONE COMMUNITY NOW, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2023

(1) Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- | | | |
|--|-----------|-----------------------------|
| <ul style="list-style-type: none"> • Material weakness(es) identified | <hr/> Yes | <hr/> X
No |
| <ul style="list-style-type: none"> • Significant deficiencies(s) identified that are not considered to be material weaknesses | <hr/> Yes | <hr/> X
None
Reported |
| <ul style="list-style-type: none"> • Noncompliance material to financial statements noted | <hr/> Yes | <hr/> X
No |

Federal Awards

Internal control over major programs:

- | | | |
|--|-----------|-----------------------------|
| <ul style="list-style-type: none"> • Material weakness(es) identified | <hr/> Yes | <hr/> X
No |
| <ul style="list-style-type: none"> • Significant deficiencies(s) identified that are not considered to be material weaknesses | <hr/> Yes | <hr/> X
None
Reported |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) of the Uniform Guidance

<hr/> Yes	<hr/> X No
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ONE COMMUNITY NOW, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2023

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
21.023	Helping with Emergency Assistance Relief for Tenants- ARPA

Dollar threshold used to distinguish between

type A and type B for Federal programs: \$750,000

Auditee qualified as low-risk auditee?

	X
<hr/> Yes	<hr/> No

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None.

(3) Findings and Questioned Costs Relating to Federal Awards:

None.

(4) Other Issues

No summary schedule of prior audit findings is presented because there were no prior year audit findings.