NOME COMMUNITY CENTER, INC.

Financial Statements, Other Information, Supplemental Information and Compliance Reports

June 30, 2024 and 2023

NOME COMMUNITY CENTER, INC.

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Independent Auditor's Report

To the Board of Directors
Nome Community Center, Inc.
Nome, Alaska

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Nome Community Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nome Community Center, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Nome Community Center, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Nome Community Center, Inc.'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

My 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 my 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*, I:

- 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 Nome Community Center, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nome Community Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Matter

Disclaimer of Opinion on Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information comprises the accompanying schedules of support and expenses – budgets to actual on pages 18-26, which is the responsibility of management, is presented for additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Supplementary Information

My 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* and the schedule of state financial assistance, as required by the *State of Alaska Single Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are 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 my opinion, the schedule of expenditures of federal awards and the schedule of state financial assistance are 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*, I have also issued my report dated February 21, 2025, on my consideration of Nome Community Center, Inc.'s internal control over financial reporting and on my 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 my 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 Nome Community Center, Inc.'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 Nome Community Center, Inc.'s internal control over financial reporting and compliance.

Brad Cagy, CPA

Eagle River, Alaska
February 21, 2025

NOME COMMUNITY CENTER, INC.

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 1,904,144	2,999,382
Contracts receivable, net	16,362	18,180
Grants receivable	297,029	2,857,632
Other receivable	25,161	14,107
Prepaid expenses	28,885	45,671
Total current assets	2,271,581	5,934,972
Non-current assets		
Property and equipment, net of accumulated depreciation of $649,783 and $354,493	9,105,992	5,796,533
Total non-current assets	9,105,992	5,796,533
Total assets	$ 11,377,573	11,731,505
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable	$ 136,159	2,543,862
Accrued payroll liabilities	27,768	21,128
Deferred Revenue	43,273	1,129,943
Tenant deposit liability	5,300	1,000
Accrued leave	13,873	29,654
Total/current liabilities	226,373	3,725,587
Net assets:		
With donor restrictions	8,492,388	5,541,208
Without donor restrictions	2,658,812	2,464,710
Total net assets	11,151,200	8,005,918
Total liabilities and net assets	$ 11,377,573	11,731,505

See accompanying notes to financial statements.

NOME COMMUNITY CENTER, INC.

Statements of Activities

Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues, gains and other support without donor restrictions:		
Support and revenue:		
Contributions	$ 5,696	3,888
Operating grants and contracts	1,226,600	1,311,525
Medicaid	322,594	263,610
Rental revenue	158,158	69,409
Facilities rents - In kind	183,427	285,432
Fundraising	9,249	-
Miscellaneous	30,127	18,622
Net assets release from restrictions - Satisfied by payment/depreciation	1,437,567	692,771
Total support and revenue	3,373,418	2,645,257
Operating expenses		
Program services:		
Nome Children's Home	445,596	482,266
XYZ Senior Center	535,834	478,771
Boys & girls Club	24,923	133,460
Food bank	109,456	81,333
Family support	137,862	188,790
Housing and homeless prevention	1,637,582	1,003,345
Youth services	54,960	64,839
Total Program services	2,946,213	2,432,804
Supporting services:		
Administrative	173,176	173,673
Property rentals	76,126	64,545
Fundraising	1,105	20,649
Total operating expenses	3,196,620	2,691,671
Increase (decrease) in net assets from Operating Activities	176,798	(46,414)
Non-operating activities:		
Interest income (expense)	17,304	1,031
Donations of buildings and land	-	1,324,900
Increase in net assets from non-operating activities	17,304	1,325,931
Change in net assets without donor restrictions	194,102	1,279,517
Changes in net assets with donor restrictions		
Restricted Contributions	385,984	364,797
Restricted contributions for fixed asset construction	4,002,763	4,792,314
Restrictions satisfied by payments/depreciation	(1,437,567)	(692,771)
Change in net assets with donor restrictions	2,951,180	4,464,340
Change in total net assets	3,145,282	5,743,857
Net assets, beginning of year	8,005,918	2,262,061
Net assets, end of year	$ 11,151,200	8,005,918

See accompanying notes to financial statements.

NOME COMMUNITY CENTER, INC.

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services							Supporting Services			Total Program and Supporting Services
	Nome Children's Home	XYZ Senior Center	Boys & Girls Club	Food Bank	Family Support	Housing & Homeless Prevention	Youth Programs	General and Administrative	Property Rentals	Fundraising	
OPERATING EXPENSES											
Personnel	$ 323,518	284,306	3,512	50,463	115,508	442,869	25,449	90,090	245	177	1,336,137
Travel	5,620	1,944	978	2,175	1,322	4,558	11,487	3,840	-	928	32,852
Facilities - In-Kind	-	139,405	-	-	1,834	11,006	-	31,182	-	-	183,427
Facilities	31,458	6,686	9,977	2,940	2,750	162,174	2,100	350	36,009	-	254,444
Commodities	30,405	27,690	423	17,947	2,402	7,527	8,379	2,121	290	-	97,184
Equipment	7,000	18,632	3,804	5,419	1,893	2,006	3,741	2,142	420	-	45,057
Depreciation	33,566	26,362	6,153	24,749	-	160,417	-	4,964	39,078	-	295,289
Homeplate	-	-	-	-	-	745,852	-	-	-	-	745,852
Other											
Professional fees	5,011	11,584	-	-	1,769	18,239	-	33,123	-	-	69,726
Insurance	6,042	13,080	-	-	3,306	24,357	-	3,195	-	-	49,980
Client support	-	-	-	5,360	-	48,520	-	-	-	-	53,880
Other	2,976	6,145	76	403	7,078	10,057	3,804	2,169	84	-	32,792
Total expenses	445,596	535,834	24,923	109,456	137,862	1,637,582	54,960	173,176	76,126	1,105	3,196,620

See accompanying notes to financial statements.

NOME COMMUNITY CENTER, INC.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services							Supporting Services			Total Program and Supporting Services
	Nome Children's Home	XYZ Senior Center	Boys & Girls Club	Food Bank	Family Support	Housing & Homeless Prevention	Youth Programs	General and Administrative	Property Rentals	Fundraising	
OPERATING EXPENSES											
Personnel	$ 365,792	288,179	75,649	13,014	112,821	479,649	17,943	104,944	-	-	1,457,991
Travel	5,619	100	10	2,012	180	17,472	17,927	8,206	-	1,377	52,903
Facilities - In-Kind	20,412	93,603	38,556	40,824	49,261	13,041	7,779	21,956	-	-	285,432
Facilities	31,458	5,853	6,232	6,157	5,863	165,986	2,379	5,598	44,981	8,867	283,374
Commodities	26,766	30,163	4,094	11,749	4,907	4,469	7,873	-	1,322	2,018	93,361
Equipment	7,000	15,022	1,221	1,370	900	875	3,305	-	4,447	2,944	37,084
Depreciation	11,189	16,329	6,583	6,191	1,173	7,398	-	15,414	11,137	-	75,414
Homeplate	-	-	-	-	-	222,992	-	-	-	-	222,992
Other	14,030	29,522	1,115	16	13,685	91,463	7,633	17,555	2,658	5,443	183,120
Total expenses	482,266	478,771	133,460	81,333	188,790	1,003,345	64,839	173,673	64,545	20,649	2,691,671

See accompanying notes to financial statements.

NOME COMMUNITY CENTER, INC.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

		2024	2023
Cash flows from operating activities:			
Change in net assets	$	3,145,282	5,743,857
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation		295,289	75,414
Donation of fixed assets		-	(1,324,900)
(Increase) decrease in:			
Contracts receivable		1,818	130,896
Grants receivable		2,560,603	(2,719,390)
Other receivable		(11,054)	19,169
Prepaid expenses		16,786	(5,894)
Increase (decrease) in:			
Accounts payable		(2,407,703)	(30,577)
Payroll liabilities		6,640	(5,756)
Deferred revenue		(1,086,670)	927,242
Tenant deposit liability		4,300	(7,300)
Accrued vacation		(15,781)	(11,427)
Net cash provided by operating activities		2,509,510	2,791,334
Cash flows from investing activities - Purchase of fixed asets		(3,604,748)	(1,770,324)
Net increase (decrease) in cash		(1,095,238)	1,021,010
Cash at beginning of year		2,999,382	1,978,372
Cash at end of year	$	1,904,144	2,999,382
Cash and cash equivalents is comprised of the following			
Unrestricted		1,904,144	2,999,382
Restricted		-	-
		1,904,144	2,999,382
Supplemental data:			
Non-cash in-kind donation	$	183,427	285,432
Donation of building	$	-	1,324,900

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Nome Community Center, Inc. (NCC) is incorporated as a nonprofit corporation under Alaska State Law. Its primary objectives are to provide health, educational, and social services to residents of the Bering Straits Region of Alaska. Major sources of revenues for the Organization are various grants, donations and contracts for services. The following are some of the Organization's more significant programs:

Family Support

Family Services, Established 1993

Family Services supports our region's families by providing guidance and support during times of need. Family Services provides education and support to families who are working towards reunification or who are in need of temporary services to strengthen their families.

Alcohol Safety Action Program, Established 2000

The alcohol and drug prevention programs encourage individuals to make healthy choices. This program provides interventions for individuals who are involved with drug and alcohol related offenses.

Nome Food Bank, Established 1988

Nome Food Bank provides nutritional assistance to families and individuals in need. The Nome Food Bank is supported by volunteers who assist with the distribution of commodities and locally donated foods to families in need.

Boys and Girls Club, Established 2001

The Boys and Girls club is an after-school and summer program that provides a safe and nurturing environment for local youth. Through skill building, educational activities, and fostering healthy and positive social connections with their peers, mentors and staff, Boys and Girls Club's mission is to cultivate a sense of citizenship and leadership development.

Youth Programs

Youth Court, Established 2000

The Nome Youth Court incorporates the principles and practices of balanced and restorative justice by providing peer justice to young offenders. It gives first-time juvenile offenders the opportunity to keep their crime off their record.

Camp CRAVE, established in 2008

This annual summer camping event for youth ages 8-14 with programming that includes nutrition education, substance use awareness, cultural values, abuse recognition, suicide prevention awareness and so much more. Collaboration with other agencies in Nome and across the state provide safe, supportive staff, volunteers and leadership or provide an opportunity that children would otherwise not have an opportunity to experience.

Nome Children's Home, Established 2009

The home provides emergency shelter for youth ages 0-18 years, twenty-four hours a day, seven days per week. NCH cultivates a safe and enriching environment, with a goal of minimizing the effects of trauma and supporting the success of families. Keeping residents connected to their tribe and village are an important part of their regime and cultural activities are an important focus.

XYZ Senior Center, Established 1994

XYZ (Xtra Years of Zest) is a gathering place for our community elders where meals, transportation, support services, and social activities are available. Elders participate in a variety of activities including skin sewing, beading, knitting and subsistence activities. Congregate meals provide a social network for the elders to connect with one another. Home delivery of meals provides support to home-bound. Physical activity, nutritional education and vaccine clinics are among the additional services offered.

Housing and Homeless Prevention

Nome Emergency Shelter Team (NEST), Established 2009

NEST began in response to several freezing deaths on the streets of Nome. Creating a shelter was a grassroots effort to prevent exposure related death by providing a warm, safe place to sleep for anyone in need. With no operating funds and donated space in a local church; an entirely volunteer staff, NEST opened its doors on nights when the weather was predicted to reach -10F, or wind chill of -10F; the temperature zone of highest risk of exposure-related death. Funded through State and federal grants, local donations and community support, the shelter located at the Karmun Center of Nazarene Church, now operates for six of the coldest months of the year. Local churches provide hot soups each night to provide a warm meal to our shelter guests. This homeless program is a "wet shelter" for chronically unhoused, many of whom are dependent upon substance use to cope with mental and physical health challenges, repeated trauma and poverty. The shelter serves an average of 40-45 individuals each night with nearly 250 unique individuals among those who use the shelter during the season.

Housing and Homeless Prevention

Permanent Supportive Housing is a proven solution to homelessness for the most vulnerable chronically unhoused community members. It pairs housing with case management and supportive services. Leases are held with local landlords in the community in which we place individuals who have been chronically unhoused. Tenants are visited frequently and provided with support services, practical help and connection to other services in the community. Homeless prevention efforts support families struggling to pay rent and utilities due to crisis, unemployment, or life-altering events to keep individuals and families housed.

Home Plate Nome

HomePlate Nome, LLC is a Housing First project that completed construction in 2024 and is designed to provide a path toward housing permanency for Nome's most vulnerable chronically homeless population. HomePlate is a 15-unit studio apartment building for single occupancy with an off-site property manager's unit. The design includes an onsite medical and mental health clinic with space for individual counseling.

Basis of Accounting and Presentation
The accounting records of NCC are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned. Liabilities and expenses are recorded when incurred. The financial statements include assets, liabilities, net assets, and financial activities for those programs for which the Organization exercises fiscal and operations control.

The Organization reports 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. A description of the net asset categories follows:

Net assets without donor restrictions represent that portion of net assets that are not restricted by donor-imposed restrictions.

Net assets with donor restrictions represent that portion of net assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of NCC pursuant to those stipulations. When the stipulated time restriction ends or action is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents
For purposes of the statement of cash flows, NCC considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents

Fair Value of Financial Instruments
The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Fair values are based on quoted market prices when available.

The following instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, (3) certain other current assets (4) accounts payable and (5) other current liabilities. The carrying amounts reported in the Statements of Financial Position for the above financial instruments closely approximate their fair value due to short-term nature of these assets and liabilities.

Contracts, Grants and Medicaid Receivable
Accounts receivable consists of amounts due from granting agencies for cost reimbursable grants and Medicaid reimbursements for services provided to NCC clients not received by the year end. There was no allowance considered necessary as of June 30, 2024 or 2023.

Grant and contract receivables from the State and Federal government were all deemed collectible; therefore management has not established an allowance for doubtful accounts for these receivables.

Accounts and Contracts Receivable
Accounts receivable are stated at unpaid balances, less an allowance for credit losses. The Organization uses historical loss information based on aging of receivables as the basis to

determine expected credit losses for receivables. A loss rate is developed for each category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed. Receivables are considered impaired if full payments are not received in accordance with contractual terms. The Organization grants credit without collateral and does not provide for accrual of interest or service charges on receivables. Management has determined that all receivables are collectible based on the nature of the receivables. At year end June 30, 2024 and 2023, there was no allowance for credit losses considered necessary.

Prepaid Items
Payments made to vendors for services that will benefit periods beyond the year end are recorded as prepaid items.

Property and Equipment
NCC reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these assets must be maintained, NCC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During fiscal year 2023, buildings and land with an estimated fair market value of $1,324,900 was donated to NCC.

Purchased property and equipment are stated at cost or at their estimated fair value at date of donation. Expenses for maintenance and repairs are charged to expense as incurred, and expenses for major renovations are capitalized. Assets with a cost basis of $5,000 are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets which vary from 3 to 7 years. Leasehold improvements are depreciated over the life of the lease, typically 5 to 7 years.

Paid Personal Leave
Paid personal leave (PPL) is an all-purpose time-off policy for eligible employees to use for vacation, illness or injury and personal business. It separates traditional vacation and sick leave plans into two paid time-off policies. Employees who work more than 30 hours per week are eligible for PPL including full and part time positions. All part time employees accrue leave based on their percentage of employment. A maximum of up to 10 weeks of accrued paid personal leave may be accrued per employee at one time. Sick leave, up to a maximum of 12 weeks, can be carried over from a previous year but is not paid out upon termination of employment. Paid personal leave benefits begin to accrue for eligible employees on their first day of work.

Contributed Services
Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by NCC. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

Revenue Recognition
Contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenues from various sources are recognized as follows:

Contributions – Contributions, which include unconditional promises to give (pledges) are recognized as revenues in the period the NCC is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There are no promises to give at June 30, 2024 or 2023.

Government and Other Grants – A portion of NCC's revenues are derived from cost reimbursable grants, which are conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when NCC has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as unearned grant revenue in the Statement of Financial Position. The NCC has been awarded cost-reimbursable grants of approximately $42,263 and $1,128,143 at June 30, 2024 and 2023, respectively that have not been recognized as revenue because qualifying expenditures have not yet been incurred.

Contract Revenue – Contract revenue is recognized in the period services are performed or deliverable is completed.

Income Taxes
NCC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Service code. NCC is exempt from State income taxes under the Alaska Nonprofit Corporation Act. Therefore, the accompanying statements do not reflect a provision for income taxes.

Although NCC is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing U.S. Federal Income Tax Form 990-T and a tax liability may be determined on these activities. The Organization's policy is to report interest and penalties associated with income taxes as interest expense and other expense respectively. With few exceptions, the Organization is not subject to audit of its tax returns prior to June 30, 2021.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 and assumptions.

Reclassifications
Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Recently Adopted Accounting Standards
In 2023, the Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases,* which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The various provisions of this standard did not result in a significant change in the way NCC recognizes its leases. NCC has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

In 2024, the Organization adopted FASB ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, consisting of trade receivables. Under the CECL, the Organization adjusts its receivable for credit losses using an allowance account. The net amount of receivables less its allowance account represents the amount expected to be collected. The CECL methodology requires that the allowance account be measured based on various information that includes historical data and information, current economic conditions, and reasonable and supportable forecasted information about future events. The Organization adopted the changes made by ASU 2016-13 using the retrospective method which did not have a significant impact on the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS
NCC maintains cash balances at two separate financial institutions. Currently, the Organization has no policy that dictates collateralization requirements for accounts in excess of FDIC coverage, requiring them to be collateralized or insured. The bank and book balances at June 30, 2024, were $1,919,704 and $1,904,144, respectively. $1,080,951 of the bank balance was insured under Federal Depository Insurance, the remaining balance was uninsured.

The bank and book balances at June 30, 2023, were $3,021,775 and $2,999,382, respectively. $2,506,356 of the bank balance was insured under Federal Depository Insurance, the remaining balance was uninsured.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS
For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in unbilled accounts receivable, unbilled expenditures (contract assets) and customer advances and deferred revenue (contract liabilities). Based on the nature of the contracts and the type of customers, there is minimal uncertainty over collectability.

NCC provides children's services and bills the State of Alaska based on agreed upon agreed upon daily rates. Revenues and receivables are recorded when performance obligations are completed. Performance obligations are considered to be complete each day that the child stays in the children's home/receives services. Billings are typically sent out at the end of each month once the total services provided has been determined. Payments typically come in soon after the bills are sent.

Total revenue by contract type is as follows:

Revenue by type (point in time):	2024	2023
Included in contract revenue:		
Services rendered	$ 322,594	263,610
Total revenue from contracts with customers	$ 322,594	263,610

Any advances received from customers before revenue is recognized is recorded as deferred contract liability. Any allowable costs incurred prior to billing are recorded as unbilled expenditures (contract assets). Receivables are recorded as services are rendered and revenue is recorded. Deferred revenue is relieved upon either the incurrence of allowable expenditures or the completion of all contract deliverables.

The beginning and ending receivable balances related to contracts are as follows:

Receivables related to contracts:	2024	2023	2022
Services rendered	$ 16,362	18,180	149,076
Total receivables related to contracts	$ 16,362	18,180	149,076

There were no contract assets or contract liabilities at June 30, 2024 and 2023.

NOTE 4 – EQUIPMENT

Property and equipment consists of the following at June 30, 2024 and 2023:

	2024	2023
Construction in progress	$ -	3,953,678
Land	353,495	353,995
Equipment	40,866	40,866
Buildings	8,688,019	1,287,236
Improvements	132,818	132,818
Vehicles	540,577	382,433
	9,755,775	6,151,026
Less accumulated depreciation	(649,783)	(354,493)
Total	$ 9,105,992	5,796,533

Depreciation expense for June 30, 2024 and 2023 was $295,289 and $75,414, respectively. The building donated in the fiscal year 2021, with a value of $85,000 is restricted to service the homeless. The new Homeplate housing project facility constructed during 2023 and 2024 and completed as of June 30, 2024 is also restricted for homeless individuals. There was $164,353 and $5,667 of depreciation on these assets during the fiscal years 2024 and 2023, respectively, released to net assets without donor restrictions.

NOTE 5 – DONATED FACILITIES AND SERVICES

NCC receives contributed donated space from United Methodist Women for the Young building which houses the Boys and Girls Club and the Children's home. They also provide the building that houses the food bank. The City of Nome contributes the building which houses the administrative staff and the senior center. The two, income producing properties are also owned by United Methodist Women. NCC is a mission institution of the United Methodist Women. A total of $183,427 and $285,432 was recognized as in-kind revenue and expenses during the years ended June 30, 2024 and 2023, respectively relating to these facilities. During fiscal year 2023, the buildings owned by United Methodist Women and used by NCC, were donated to NCC and are now as of June 30, 2023 owned by NCC. The fair market value of the land and buildings at the time of donation was $1,324,900.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

NCC receives donations with use restrictions that it classifies as net assets with donor restrictions until spent on the designated use. At year end, net assets with donor restrictions are available for the purpose of operations of the Boys and Girls Club in Nome, Alaska, the Food Bank, a Youth Summer Camp, Nome Emergency Shelter Team (NEST) and the XYZ Center and the homeless. The net assets related to the homeless is a building donated during fiscal year 2021, that is to be used for the homeless population in Nome as well as donations made for the construction of a new building for the homeless that was construction started in fiscal year June 30, 2023 and completed in fiscal year June 30, 2024. The other restricted net assets are cash donated by individuals and other entities to be used for the various programs. The net assets with donor restrictions for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Restricted for Boys and Girls Club	$ 128,740	114,533
Restricted for the Food Bank	7,927	44,182
Restricted for Youth Summer Camp	14,357	11,502
Restricted for NEST	472,865	448,522
Restricted for XYZ Center	3,965	486
Restricted for Breakfast Meal Program	1,286	1,286
Restricted for Homeplate	7,787,329	4,839,105
Restricted for Homeless - Building	75,919	81,592
	$ 8,492,388	5,541,208

NOTE 7 – CONCENTRATIONS

NCC received approximately 40% and 56% of its total support and revenue, not including in-kind revenues, from operating activities in federal, State of Alaska and other operating grants and contracts for the years ended June 30, 2024 and 2023, respectively. A significant reduction in the level of these sources of support and revenue, if this were to occur, may have an adverse effect on the Organization's programs and activities.

NOTE 8 – CONTINGENCIES

Amounts received or receivable from the State of Alaska or federal sources are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the NCC.

NOTE 9 – RETIREMENT PLAN

Nome Community Center participates in a simple IRA plan for employees. NCC contributes up to 2% of an employee's wages to each participating employee's account. The Organization contributed a total of $19,346 and $19,885 to employee accounts in 2024 and 2023, respectively.

NOTE 10 – EXPENSES BY NATURE AND FUNCTION

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities and utilities that are allocated based on square footage of each property as well as compensation and benefits which are allocated on the basis of time and effort. These expenses are reported on the Statements of Functional Expenses in the financial statements.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects NCC's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 1,904,144	2,999,382
Accounts and grants receivable, net	338,552	2,889,919
	2,242,696	5,889,301
Less those unavailable for general expenditures within one-year, due to:		
Grant receivable designated for construction	-	2,583,172
Cash designated for programs	1,181,064	2,958,036
	1,181,064	5,541,208
Financial assets available to meet cash needs for general expenditures within one year	$ 1,061,632	348,093

Nome Community Center is substantially supported by unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Nome Community Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of Nome Community Center's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent event procedures have been performed as of February 21, 2025. There were no subsequent events noted that management considers necessary for disclosure. This is also the date the financials were available to be issued.

OTHER INFORMATION
(Unaudited)

NOME COMMUNITY CENTER, INC.

Residential Care for Children and Youth 162-230-24005
Schedule of Support and Expenses - Budget and Actual (Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues - state sources	$ 127,750	127,750	-
Expenses:			
Personnel	51,475	51,475	-
Travel	5,620	5,620	-
Facility	31,458	31,458	-
Supplies	18,167	18,167	-
Equipment	7,000	7,000	-
Other	14,030	14,030	-
Total expenses	127,750	127,750	-
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Youth Courts/Community Panels 269-239-24006
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues - state sources	$ 32,960	31,151	(1,809)
Expenses:			
Personnel	19,040	19,040	-
Travel	4,736	2,960	1,776
Facility	2,100	2,100	-
Supplies	800	767	33
Equipment	2,600	2,600	-
Other	3,684	3,684	-
Total expenses	32,960	31,151	1,809
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Nutrition, Transportation and Support Services 167-309-24013
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal sources passed through State of Alaska	$ 158,103	158,103	-
State of Alaska - DHHS	53,612	53,584	(28)
	211,715	211,687	(28)
Expenses:			
Personnel	181,617	181,617	-
Facility	1,572	1,573	(1)
Supplies	12,524	12,495	29
Equipment	3,942	3,942	-
Other	12,060	12,060	-
Total expenses	211,715	211,687	28
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Community Initiative Matching Grants 165-230-24007
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues - state sources	$ 50,000	50,000	-
Expenses:			
Personnel	50,000	50,000	-
Total expenses	50,000	50,000	-
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Community Initiative Matching Grants 165-230-24009
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues - state sources	$ 27,000	27,000	-
Expenses:			
Personnel	10,752	10,752	-
Facility	8,248	8,248	-
Equipment	500	500	-
Other	7,500	7,500	-
Total expenses	27,000	27,000	-
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Adult Day Services
167-298-24006
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues - state sources	$ 123,303	122,349	(954)
Expenses:			
Personnel	93,081	93,081	-
Travel	2,400	1,500	900
Facility	3,600	3,600	-
Supplies	3,370	3,316	54
Equipment	13,459	13,459	-
Other	7,393	7,393	-
Total expenses	123,303	122,349	954
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Health Promotion and Disease Prevention
167-305-24004
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal sources passed through State of Alaska	$ 22,062	22,062	-
State of Alaska - DHHS	4,286	3,499	(787)
	26,348	25,561	(787)
Expenses:			
Personnel	19,517	19,517	-
Facility	1,515	1,514	1
Supplies	1,771	1,000	771
Equipment	925	925	-
Other	2,620	2,605	15
Total expenses	26,348	25,561	787
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Community Family Education
263-271-24004
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal sources passed through State of Alaska	$ 20,000	20,000	-
State of Alaska - DHHS	5,000	4,997	(3)
	25,000	24,997	(3)
Expenses:			
Personnel	22,840	22,840	-
Travel	-	-	-
Facility	350	350	-
Supplies	810	807	3
Equipment	-	-	-
Other	1,000	1,000	-
Total expenses	25,000	24,997	3
Excess of revenues over expenditures	$ -	-	-

NOME COMMUNITY CENTER, INC.

Circles of Support/Family Preservation Services
263-270-24003
Schedule of Support and Expenses - Budget and Actual
(Unaudited)

Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal sources passed through State of Alaska	$ 16,188	16,188	-
State of Alaska - DHHS	76,312	76,296	(16)
	92,500	92,484	(16)
Expenses:			
Personnel	81,546	81,546	-
Travel	1,400	1,322	78
Facility	2,400	2,400	-
Supplies	1,594	1,594	-
Equipment	900	900	-
Other	4,660	4,722	(62)
Total expenses	92,500	92,484	16
Excess of revenues over expenditures	$ -	-	-

SUPPLEMENTAL INFORMATION

NOME COMMUNITY CENTER, INC.

Schedule of State Financial Assistance

Year Ended June 30, 2024

State Grant Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Health and Human Services: State portion of Grants				
Residential Care for Children and Youth	162-230-24005	$ 127,750	-	127,750
Youth Courts/Community Panels	269-239-24006	32,960	-	31,151
Nutrition, Transportation and Support Services -State Portion	167-309-24013	53,612	-	53,584
Community Initiative Matching Grants	165-230-24007	50,000	-	50,000
Community Initiative Matching Grants	165-230-24009	27,000	-	27,000
Adult Day Services	167-298-24006	123,303	-	122,349
Health Promotion and Disease Prevention - State Portion	167-305-24004	4,286	-	3,499
Community Family Education - State Portion	263-271-24004	5,000	-	4,997
Circles of Support-Family Preservation Services	263-270-24003	76,312	-	76,296
Total Department of Health and Human Services		500,223	-	496,626
Alaska Housing Finance Corporation:				
Basic Homeless Assistance Program	HAP-24-NCC-1	142,839	-	126,899
HOME - State Portion	GOL-22-NCC-1	300,000	-	9,619
Special Needs Housing Grant*	SNG-23-NCC-1	600,000	-	188,113
Total Alaska Housing Finance Corporation		1,042,839	-	324,631
Alask a Mental Health Trust Authority - Nome's Housing First Project: Homeplate, LLC*	14079	375,000	-	337,711
Total State Financial Assistance		$ 1,918,062	-	1,158,968

NOTE 1: MAJOR PROGRAM NOTATION

* Denotes a major program.

NOTE 2: BASIS OF PRESENTATION

The accompanying schedule of state financial assistance (the Schedule) includes the state award activity of Nome Community Center, Inc. under programs of the State of Alaska for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Nome Community Center, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Nome Community Center, Inc.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting

NOTE 4: AWARDS TO SUBRECIPIENTS

There were no awards to subrecipients during the year.

NOME COMMUNITY CENTER, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grant Title	Catalog of Federal Domestic Assistance Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Grant Award	Federal Expenditures
Department of Housing and Urban Development - Passed through State of Alaska - AHFC:					
HOME	14.239	GOL-22-NCC-1	$ -	1,083,851	34,752
Covid-19 - HOME ARP	14.239	GOL-22-NCC-1	-	2,491,731	79,894
Total HOME			-	3,575,582	114,646
Housing Trust Fund	14.275	GOL-22-NCC-1	-	956,624	30,673
Total Passed through AHFC			-	4,532,206	145,319
Department of Housing and Urban Development, Direct:					
Economic Development Initiative, Community Project Funding	14.251	B-22-CP-AK-0005	-	1,500,000	1,500,000
Continuum of Care	14.267		-	114,467	114,467
Total direct funding			-	1,614,467	1,614,467
Total Department of Housing and Urban Development			-	6,146,673	1,759,786
Dept of Health and Human Services - Passed through State of Alaska - DHHS:					
Community Family Education	93.590	263-271-24004	-	20,000	20,000
Circles of Support/Family Preservation Services	93.645	263-270-24003	-	16,188	16,188
Aging Cluster					
Nutrition, Transportation and Support Services	93.045	167-309-24013	-	158,103	158,103
Total aging cluster			-	158,103	158,103
Health Promotion and Disease Prevention	93.043	167-305-24004	-	22,062	22,062
Total Department of Health and Human Services			-	216,353	216,353
Denali Commission - Homeplate Apartments	90.100	DC-WP-22-001	-	150,000	77,698
Total federal financial assistance			$ -	$ 6,513,026	2,053,837

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of NCC under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
Because the schedule presents only a selected portion of the operations of NCC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of NCC.

Expenditures reported on this 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.

The Organization has not elected to use the 10% deminimus indirect cost rate.
Pass through entity identifying numbers are presented where available.

STATE OF ALASKA COMPLIANCE REPORTS

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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*

Members of the Board of Directors
Nome Community Center, Inc.

I 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 Nome Community Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated February 21, 2025.

Report on Internal Control Over Financial Reporting
In planning and performing my audit of the financial statements, I considered Nome Community Center' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nome Community Center' internal control. Accordingly, I do not express an opinion on the effectiveness of the Nome Community Center'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.

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

Members of the Board of Directors
Nome Community Center, Inc.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Nome Community Center' financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Brad Cage, CPA

Eagle River, Alaska
February 21, 2025

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Independent Auditor's Report on Compliance for Each Major Program And on Internal Control over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Members of the Board of Directors
Nome Community Center, Inc.

Ladies and Gentlemen:

Report on Compliance for Each Major State Program

Qualified and Unmodified Opinions

I have audited Nome Community Center, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplements* that could have a direct and material effect on each of Nome Community Center, Inc.'s major state programs for the year ended June 30, 2024. Nome Community Center, Inc.'s major state programs are identified on the Schedule of State Financial Assistance.

In my opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of my report, Nome Community Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Alaska Mental Health Trust Authority, Nome's Housing First Project: Homeplate, LLC major state program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major State Programs

In my opinion, Nome Community Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified on the Schedule of State Financial Assistance for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

I conducted my 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 the State of Alaska Audit Guide. My responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Nome Community Center, Inc. and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major state program. My audit does not provide a legal determination of Nome Community Center, Inc.'s compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Alaska Mental Health Trust Authority, Nome's Housing First Project: Homeplate, LLC Major State Program

As described in the accompanying schedule of findings and questioned costs, Nome Community Center, Inc. did not comply with requirements regarding special tests and provisions for the Alaska Mental Health Trust Authority, Nome's Housing First Project: Homeplate, LLC grant, as described in Finding 2024-001.

Compliance with such requirements is necessary, in my opinion, for Nome Community Center, Inc. to comply with the requirements applicable to that grant.

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 Nome Community Center, Inc.'s state programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Nome Community Center, Inc.'s compliance based on my 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 State of Alaska Audit Guide 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 Nome Community Center, Inc.'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 State of Alaska Audit Guide, I:

- 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 Nome Community Center, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Nome Community Center, Inc.'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 State of Alaska Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Nome Community Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Other Matters

The results of my auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the State of Alaska Audit Guide and which is described in the accompanying schedule of findings and questioned costs as Finding 2024-002. My opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Nome Community Center, Inc.'s response to the noncompliance findings identified in my compliance audit described in the accompanying schedule of findings and questioned costs. Nome Community Center, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control over Compliance

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I did identify certain deficiencies in internal control over compliance that I consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be a material weakness.

Board of Directors
Nome Community Center, Inc.

My 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.

Government Auditing Standards requires the auditor to perform limited procedures on Nome Community Center, Inc.'s response to the internal control over compliance finding identified in my audit described in the accompanying schedule of findings and questions costs. Nome Community Center, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the State of Alaska Audit Guide. Accordingly, this report is not suitable for any other purpose.

Brad Cosgrove, CPA

Eagle River, Alaska
February 21, 2025

NOME COMMUNITY CENTER, INC.

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Material weakness in internal control over financial reporting identified?	___ Yes	_X__ No
Significant deficiency not considered a material weakness identified?	____ Yes	__X_
None reported		
Noncompliance material to the financial statements identified?	____ Yes	__X__ No

STATE FINANCIAL ASSISTANCE

Type of auditor report issued on compliance over major programs:	Qualified	
Material weakness in internal control over major programs identified?	_X__ Yes	____ No
Significant deficiency not considered a material weakness identified?	____ Yes	__X_
None reported.		

Dollar threshold used to distinguish a state major programs:	$750,000
Auditee qualified as a low-risk auditee?	No

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements.

FINDINGS RELATED TO THE STATE OF ALASKA AWARDS

There was a finding related to State of Alaska awards.

FINANCIAL STATEMENT FINDINGS

No findings related to the financial statements.

STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2024-001, Special Tests and Provisions, Prevailing Wage Requirements, Alaska Mental Health Trust Authority, Nome's Housing First Project: Homeplate, LLC, 14079, Material Weakness

Statement of Condition	I noted that the Nome Community Center, Inc. did not include prevailing wage requirements in their Construction contract, nor did they receive certified payrolls from the Contractor
Criteria	Per State of Alaska General compliance requirements, when grant funds are used for construction, the Organization is required to include prevailing wage requirements in construction contracts in excess of 25K and review/receive certified payroll from the Contractor.
Questioned Costs	None noted.
Cause	It appeared the contract was signed prior to final funding and the State of Alaska General requirements were not reviewed by management prior to authorizing/approving the contract.
Effect	Contract did not contain required verbiage regarding payment of prevailing wages.
Context	There was one contract required to contain this documentation and it did not.
Suggestion	Due to the nature of this finding, primarily, that the construction is complete, no further suggestions, other than to ensure that in the future, entire grant agreements along with any applicable compliance supplements/requirements are reviewed prior to expending funds.
Auditee reply	See corrective action plan.
Repeat Finding	This is a repeat of finding 2023-002.

Finding 2024-002, Special Tests and Provisions, Prevailing Wage Requirements, AHFC, HOME State Portion, GOL-22-NCC-1, Material Weakness

Statement of Condition	Same as above
Criteria	Same as above
Questioned Costs	Same as above
Cause	Same as above
Effect	Same as above
Context	Same as above
Suggestion	Same as above
Auditee reply	Same as above
Repeat Finding	Same as above

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Corrective Action Plan

Year Ended June 30, 2024

Finding	Responsible Individual	Management Views	Corrective Action	Anticipated Completion Date
2024-001 and 2024-002 Special Tests and Provisions	Kimberly Bishop, Executive Director	Management agrees with the finding.	Due to the nature of the cause of this finding, there is no other specific corrective action considered necessary. The Organization will ensure that future construction contracts, if any, contain any applicable prevailing wage requirement verbiage and certified payrolls will be reviewed.	To be completed immediately.

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Schedule of Prior Audit Findings

Year Ended June 30, 2024

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 Internal Control over Recording of all Material Assets and Liabilities
Material Weakness

Statement of Condition	There were material adjustments necessary to record the accounts payable, construction in progress, and the related grant revenue and grant receivable balances on the Statement of Financial Position and Statement of Activities.
Suggestion	I recommended that management establish policies whereby all material balance sheet items of the organization are properly recorded and a proper and complete search for unrecorded liabilities is performed.
Status	This finding was not noted in the current year.

STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-002, Special Tests and Provisions, Prevailing Wage Requirements, AHFC, HOME State Portion, GOL-22-NCC-1

Statement of Condition	I noted that the Nome Community Center, Inc. did not include prevailing wage requirements in their Construction contract, nor did they receive certified payrolls from the Contractor
Suggestion	Due to the nature of this finding, primarily, that the construction is complete, no further suggestions, other than to ensure that in the future, entire grant agreements along with any applicable compliance supplements/requirements are reviewed prior to expending funds.
Status	This finding was noted again in the current year. The finding related to the same contract as the contract spanned the fiscal years 2023 and 2024. The contract is complete as of June 30, 2024. See Finding 2024-002.

FEDERAL COMPLIANCE REPORTS

Brad Cage, CPA
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Independent Auditor's Report on Compliance with Requirements For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Members of the Board of Directors
Nome Community Center, Inc.
Nome, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Nome Community Center, Inc.'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 Nome Community Center, Inc.'s major federal programs for the year ended June 30, 2024. Nome Community Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Nome Community Center, Inc. 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 June 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Nome Community Center, Inc. and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Nome Community Center, Inc.'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 Nome Community Center, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Nome Community Center, Inc.'s compliance based on my 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 Nome Community Center, Inc.'s compliance with the requirements of each major federal program as a whole.

Members of the Board of Directors
Nome Community Center, Inc.

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

- 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 Nome Community Center, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Nome Community Center, Inc.'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 Nome Community Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Other Matters

The results of my auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2024-003. My opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Nome Community Center, Inc.'s response to the noncompliance findings identified in my compliance audit described in the accompanying schedule of findings and questioned costs. Nome Community Center, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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 federal 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

Brad Cogl, CPA

Eagle River, Alaska
February 21, 2025

NOME COMMUNITY CENTER, INC.

Summary of Auditor's Results and
Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

FINANCIAL STATEMENTS

Type of auditor report issued:	Unmodified
Material weakness in internal control over financial reporting reported?	No
Significant deficiency not considered a material weakness reported?	No
Noncompliance related to the financial statements reported?	No

FEDERAL AWARDS

Type of auditor report issued on compliance over major programs:	Unmodified
Material weakness in internal control over major programs identified?	No
Significant deficiency not considered a material weakness identified?	None reported
Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes

IDENTIFICATION OF MAJOR PROGRAMS

CFDA Numbers	Name of Federal Program or Cluster of Programs
14.251	Department of Housing and Urban Development – Community Project Funding Grant, B-22-CP-AK-0005

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Qualified as a low-risk auditee?	No

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Nome Community Center, Inc. did not have any findings that relate to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Nome Community Center, Inc. did have a findings and/or questioned costs related to federal awards that is required to be reported in accordance with the Uniform Guidance.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted.

FEDERAL AWARD FINDINGS

Finding 2024-003, Special Tests and Provisions, Prevailing Wage Requirements, Dept of HUD, Passed through State of AK, AHFC, HOME, GOL-22-NCC-1, 14.239 and Dept of HUD, Passed through State of AK, AHFC, HOME- ARP, GOL-22-NCC-1, 14.239

Statement of Condition	I noted that the Nome Community Center, Inc. did not include prevailing wage requirements in their Construction contract, nor did they receive certified payrolls from the Contractor
Criteria	Per HOME compliance supplement, when more than 12 HOME assisted units are being constructed, the Organization is required to include prevailing wage requirements in construction contracts in excess of 2K and review/receive certified payroll from the Contractor.
Questioned Costs	None noted.
Cause	It appeared the contract was signed prior to final funding and the HOME requirements were not reviewed by management prior to authorizing/approving the contract.
Effect	Contract did not contain required verbiage regarding payment of prevailing wages.
Context	There was one contract required to contain this documentation and it did not.
Suggestion	Due to the nature of this finding, primarily, that the construction is complete, no further suggestions, other than to ensure that in the future, entire grant agreements along with any applicable compliance supplements/requirements are reviewed prior to expending funds.
Auditee reply	See corrective action plan.
Repeat Finding	This was a repeat finding. See Finding 2023-002

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Corrective Action Plan

Year Ended June 30, 2024

Finding	Responsible Individual	Management Views	Corrective Action	Anticipated Completion Date
2024-003	Kimberly Bishop, Executive Director	Management agrees with the finding.	Due to the nature of the cause of this finding, there is no other specific corrective action considered necessary. The Organization will ensure that future construction contracts, if any, contain any applicable prevailing wage requirement verbiage and certified payrolls will be received and reviewed.	To be completed immediately.

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Schedule of Prior Audit Findings

Year Ended June 30, 2024

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
Finding 2023-002, Special Tests and Provisions, Prevailing Wage Requirements, Dept of HUD, Passed through State of AK, AHFC, HOME, GOL-22-NCC-1, 14.239 and Dept of HUD, Passed throught State of AK, AHFC, HOME- ARP, GOL-22-NCC-1, 14.239

Statement of Condition	I noted that the Nome Community Center, Inc. did not include prevailing wage requirements in their Construction contract, nor did they receive certified payrolls from the Contractor
Suggestion	Due to the nature of this finding, primarily, that the construction is complete, no further suggestions, other than to ensure that in the future, entire grant agreements along with any applicable compliance supplements/requirements are reviewed prior to expending funds.
Status	This finding was noted again in the current year. The finding related to the same contract as the contract spanned the fiscal years 2023 and 2024. The contract is complete as of June 30, 2024. See Finding 2024-003.