FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA

Elko, Nevada

Audited Financial Statements

For the Year Ended June 30, 2022

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Resource Centers of Northeastern Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Resource Centers of Northeastern Nevada (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Family Resource Centers of Northeastern Nevada as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Resource Centers of Northeastern Nevada 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 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 Family Resource Centers of Northeastern Nevada's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Family Resource Centers of Northeastern Nevada's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Resource Centers of Northeastern Nevada'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of Family Resource Centers of Northeastern Nevada'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 Family Resource Centers of Northeastern Nevada'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 Family Resource Centers of Northeastern Nevada's internal control over financial reporting and compliance.

Mahlke Hunsaker & Co.

Mahlke Hunsaker & Co., pllc

Twin Falls, Idaho
October 24, 2021

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Family Resource Centers of
Northeastern Nevada
Statement of Financial Position
June 30, 2022

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 524,555
Grants Receivable	94,727
Prepaid Expenses	72,888
Total Current Assets	692,170
PROPERTY AND EQUIPMENT, NET	515,002
TOTAL ASSETS	$ 1,207,172

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	9,394
Accrued Payroll and Compensated Absences	9,491
Deposit Payable	2,118
Deferred Revenues	77,768
Notes Payable, Current Portion	4,679
Total Current Liabilities	103,449
Long Term Liabilities	
Note Payable, Net of Current Portion	189,195
Total Liabilities	292,644
Net Assets	
Without Donor Restrictions	914,528
With Donor Restrictions	-
Total Net Assets	914,528
TOTAL LIABILITIES AND NET ASSETS	$ 1,207,172

See Accompanying Notes to Financial Statements.

Family Resource Centers of
Northeastern Nevada
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUES			
Support			
Contributions	$ 324,382	$ -	$ 324,382
Grants	507,734	-	507,734
Total Support	832,116	-	832,116
Revenues			
Investment Income	33	-	33
Rental Income	15,596	-	15,596
Fundraising	10,571		10,571
Other Income	435	-	435
Gain on Sale of Asset	-		-
Total Revenues	26,634	-	26,634
Assets Released from Restrictions	4,503	(4,503)	-
Total Support and Revenue	863,253	(4,503)	858,750
EXPENSES			
Program Expenses	514,389	-	514,389
Management and General	31,482	-	31,482
Fundraising	3,753	-	3,753
Total Expenses	549,624	-	549,624
CHANGE IN NET ASSETS	313,629	(4,503)	309,126
NET ASSETS, BEGINNING OF YEAR	600,899	4,503	605,402
NET ASSETS, END OF YEAR	$ 914,528	$ -	$ 914,528

See accompanying Notes to Financial Statements.

Family Resource Centers of
Northeastern Nevada
Statements of Functional Expenses
For the Year Ended June 30, 2022

	Program	Management and General	Fundraising	Total
Payroll				
Salaries	$ 337,968	$ -	$ -	$ 337,968
Payroll Taxes	32,751	-	-	32,751
Total Payroll	370,719	-	-	370,719
Other				
Advertising	15,039	56	-	15,095
Contract Services	8,500	6,250	-	14,750
Copying and Printing	1,857	42	-	1,899
Depreciation	-	17,937	-	17,937
Direct Services	16,544	5,525	-	22,069
Dues and Subscriptions	1,193	1,363	-	2,556
Fundraising	-	-	3,753	3,753
Incentives	6,807	4	-	6,811
Indirect Costs	33,243	(33,243)	-	-
Insurance	11,717	-	-	11,717
Interest	-	13,333	-	13,333
Miscellaneous	965	1,234	-	2,199
Occupancy and Janitorial	3,834	4,391	-	8,225
Office	3,270	9	-	3,279
Postage	876	8	-	884
Repairs and Maintenance	-	2,381	-	2,381
Small Equipment	6,285	2,611	-	8,896
Supplies	2,435	1,911	-	4,346
Telephone	9,480	7,467	-	16,947
Training and Travel	9,696	-	-	9,696
Utilities	11,929	203	-	12,132
Total Other Costs	143,670	31,482	3,753	178,905
Total Functional Expenses	$ 514,389	$ 31,482	$ 3,753	$ 549,624

Family Resource Centers of Northeastern Nevada
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows From Operating Activities	
Changes in Net Assets	$ 309,126
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	17,937
(Increase) Decrease in Accounts Receivable	(27,484)
(Increase) Decrease in Prepaid Assets	(68,736)
Increase (Decrease) in Accounts and Credit Card Payables	5,830
Increase (Decrease) in Accrued Payroll and Compensated Absences	(287)
Increase (Decrease) in Deferred Revenue	77,768
Net Cash Provided (Used) by Operating Activities	314,154
Cash Flows From Financing Activities	
Principal Payments on Long-Term Debt	(217,487)
Refinance of Long-Term Debt	195,000
Net Cash Provided (Used) by Financing Activities	(22,487)
Net Increase (Decrease) in Cash and Cash Equivalents	291,667
Cash and Cash Equivalents, Beginning of Year	232,888
Cash and Cash Equivalents, End of Year	$ 524,555

Supplemental Disclosure of Cash Flow Information:

Interest Paid With Cash	$ 13,333

See accompanying Notes to Financial Statements.

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the Family Resource Center of Northeaster Nevada's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the Organization conform to generally accepted accounting principles. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements.

Organization and Nature of Activities
The Family Resource Center of Northeastern Nevada (the Organization) is a nonprofit organization. The Organization was established as a forum for neighbors to support neighbors and is dedicated to developing resources that strengthen and empower families within rural communities of Northeastern Nevada; the local Center provides education, support, and connections to resources. The programs are funded by state and federal grants.

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis of accounting. The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit organizations.

Basis of Presentation
The Organization presents it financial statements in accordance with the FASB Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, 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.

Net Assets Without Donor Restrictions – net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management to fulfill the mission and vision of the Organization. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets with Donor Restrictions – net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Revenues are reported as increases in without donor restriction net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in without donor restriction net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents
The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Short-term investments and restricted cash and cash equivalents not available for current use, including money market funds and certificates of deposit, are not considered to be cash equivalents for of the statement of cash flows.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Grants Receivable
Grant or contract amounts awarded for organizational use that are not drawn upon on June 30, 2022.

Prepaid Expenses
Prepaid expenses consist of prepaid insurance, gift cards and cost paid for fundraising events that have not taken place prior to year-end. Expenses related to the fundraising event will be recognized when the actual event has taken place.

Property and Equipment
Purchased fixed assets are stated at cost. Fixed assets received by donation are recorded at their estimated fair value on the date received. Maintenance and repairs are charged to expense as incurred. The Organization follows the practice of capitalizing all expenditures for improvements, furniture & fixtures and equipment with useful lives greater than one year and costs in excess of $2,500.

Depreciation is determined by the straight-line method over an asset's estimated useful life. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the consolidated statement of activities.

Paid Time Off Benefits
Accumulated costs for unused vacation are recognized as a current liability due to the ability of employees to request compensation for their unused vacation or to carry over to a future period. This is recorded in the financial statements as compensated absences. At separation of employment, an employee is paid up to one week of unused paid time off if they have provided a two-week notice of resignation in writing.

Deferred Revenues
Grant funds not expended are shown as deferred revenues. Revenues are recognized from grants when expenditures are incurred. Ticket sales for fundraising events that have not taken place prior to year end are shown as deferred revenues. Revenues are recognized when the actual event has taken place.

Donated Assets
Donated assets and services are reflected as non-federal contributions based on the fair market value of such assets or services. These assets and services are presented in the statements to disclose community participation and matching requirements of federal programs.

Contributions
Contributions are recognized when the donor makes the contribution. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restrictions net assets depending on the nature of the restriction. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Grants
A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the occurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. As of June 30, 2022, grants receivable in the amount of $94,727 were recognized as revenue due to request made for grant monies expensed during those years.

Cost Allocation
Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are cost incurred for the common benefit of more than one program which cannot be readily identified with a final cost objective.

Advertising
Advertising costs are expensed as incurred. Advertising costs totaled $15,095 for the year ended June 30, 2022.

Tax Status and Nature of the Corporation
Family Resource Centers of Northeastern Nevada is a non-profit Corporation exempt from federal income tax under Section 501(c) (3).

The Organization qualifies as a tax-exempt Organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 and has been classified as an Organization that is not a private foundation under Section 509(a) (1).

The Organization believes that is has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Functional Allocation of Expenses
The costs of program and administration service activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and administration services benefited.

Custodial Credit Risk
For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterpart, the Organization will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Organization does not have a policy for custodial credit risk outside of the deposit and investment agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Concentrations of Credit Risk

Financial instruments that subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. The Organization does not require collateral to support financial instruments.

The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each institution for the interest-bearing accounts. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Management does not believe this concentration of cash results in a high level of risk for the Organization. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker dealer failure, up to $500,000 of protection for each brokerage accounts with a limit of $250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments. At year end, the Organization did not have investment funds in excess of the SIPC limit.

Liquidity Management

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has $619,312 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of $524,555 and grants receivable of $94,757 as of June 30, 2022. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

Use of Estimates

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

Fair Value of Financial Instruments

The Organization applies generally accepted accounting principles (GAAP) for fair value measurements of financial instruments that are recognized or disclosed at fair value in the financial statements. The Organization's financial instruments consist of cash and accounts receivable, all of which are measured at fair value in the statement of financial position.

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Recently Issued Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new guidance will require all leases to be recorded as assets and liabilities on the statement of financial position. This update would require capitalization of the "right to use" an asset and recognition of an obligation for future lease payments for most leases currently classified as operating leases. Other leases currently classified as capital leases will be referred to as financing leases and will continue to be recorded as assets and liabilities in a similar manner. In June 2020, the FASB issued ASU No. 2020-05 which defers the effective date one year making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. The provisions of this ASU are to be applied using either the retrospective approach or modified retrospective approach. The Organization is currently evaluating the impact this standard will have on its financial statements.

NOTE 2- ECONOMIC DEPENDENCY

The Organization receives a substantial portion of its revenue from contracts/grants administered by the State of Nevada. The Organization's operations are significantly dependent upon this revenue.

NOTE 3 - GRANTS RECEIVABLE

As of June 30, 2023, accounts receivable from grants, contributions and program income was composed of the following. Management does not anticipate any collection loss on the receivable amounts.

State of Nevada-Grants	$ 94,727

NOTE 4 – PREPAID EXPENSES

Prepaid expenses consist of the following on June 30, 2022

Prepaid Insurance	$ 3,924
Prepaid Costs for Fundraising Event	66,632
Gift Cards	2,332
Total Prepaid Expenses	$ 72,888

NOTE 5 - PROPERTY AND EQUIPMENT

Land, buildings and improvements and furniture and equipment are summarized as follows:

	June 30, 2021	Additions	Disposals	Depreciation	June 30, 2022
Land	$ 64,000	$ -	$ -	$ -	$ 64,000
Buildings & Improvements	622,051	-	-	-	622,051
Furnitures and Equipment	38,253	-	-	-	38,253
Total	724,304	-	-	-	724,304
Accumulated Depreciation	(191,365)	-	-	(17,937)	(209,302)
Property and Equipment, Net	$ 532,939	$ -	$ -	$ (17,937)	$ 515,002

NOTE 6- DEFERRED REVENUES

Deferred revenues consist of the following on June 30, 2022

Advance Ticket Sales for Fundraising Event	$ 77,768
Total Deferred Revenues	$ 77,768

NOTE 7- NOTE PAYABLE

The Organization purchased a building for its office. The Organization refinanced their loan in 2022 with Elko Federal Credit Union. The loan calls for 60 monthly consecutive payments in the initial amount of $1,029.69 each, beginning April 22, 2022, with interest calculated on the unpaid principal balances at an interest rate of 4.000% per annum; 59 monthly consecutive payments in the initial amount of $1,029.69 each, beginning April 22, 2027, with interest calculated on the unpaid principal balances at an interest rate based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years (currently 1.850%), plus a margin of 0.750 percentage points, the sum rounded to the nearest 0.125, adjusted if necessary for the minimum and maximum rate limitations for this loan, resulting in an initial interest rate of 4.000% per annum; and one payment of $140,201.99 on March 22, 2032. The estimated final payment assumes that all payments will be made exactly as scheduled and that the Index does not change.

NOTE 7- NOTE PAYABLE – continued

The maturities of debt are as follows:

Year Ended June 30,	
2023	$ 4,679
2024	4,870
2025	5,069
2026	5,275
2027	5,491
2028-2032	168,490
Total	$ 193,874

NOTE 8 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2022, contributions from members of the board totaled $3,450 which is included in the financial statements as revenue and expenses.

NOTE 9 – INCOME BY FUNDING AGENCY

Below is a summary of the grant income by funding agency for the year ended June 30, 2022.

SRAE	$ 115,384
PREP	90,734
Children's Trust Fund	50,636
Division of Aging Services - Grandparent Respite	43,418
Family Resource Center CDC	10,506
Family Resource Center SB 405	36,822
WIC	160,234
Total	$ 507,734

NOTE 10 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 24, 2022 the date which the financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Family Resource Centers of Northeastern Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Resource Centers of Northeastern Nevada (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Resource Centers of Northeastern Nevada's 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Resource Centers of Northeastern Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of Family Resource Centers of Northeastern Nevada's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control 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.

Mahlke Hunsaker & Co.

Mahlke Hunsaker & Co., pllc

Twin Falls, Idaho
October 24, 2022