OPPORTUNITY VILLAGE

FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

OPPORTUNITY VILLAGE FOUNDATION

TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Opportunity Village Foundation
Las Vegas, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Opportunity Village Foundation (Foundation) (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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 the Foundation'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 the Foundation'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 the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2024 on our consideration of the Foundation'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 12, 2024

OPPORTUNITY VILLAGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,486,342	$ 14,866,693
Investments	37,188,859	34,585,649
Investments, restricted	3,089,771	2,174,572
Unconditional promises to give, current	295,190	88,588
Grants receivable	387,602	-
Prepaid expenses and other	90,223	69,623
	46,537,987	51,785,125
Property and equipment:		
Land	3,019,778	3,019,778
Vehicles	24,663	24,663
Buildings and improvements	728,644	754,017
Furniture, fixtures and equipment	2,346,402	2,266,800
Construction in progress, restricted	2,057,011	235,085
Accumulated depreciation	(2,831,084)	(2,734,356)
	5,345,414	3,565,987
Other noncurrent assets:		
Cash and cash equivalents, restricted	24,565,377	-
Cash and cash equivalents, board-designated for long-term purposes	6,448,256	-
Investments, restricted, noncurrent	2,290,745	15,180,070
Investments, restricted in perpetuity	20,221,705	19,690,768
Unconditional promises to give, net	1,955,305	1,796,567
Finance lease right-of-use (ROU) assets	48,614	-
Other noncurrent assets	224,919	60,219
	55,754,921	36,727,624
Total assets	$ 107,638,322	$ 92,078,736

OPPORTUNITY VILLAGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 246,178	$ 18,816
Accrued expenses	93,681	84,390
Deferred revenue	346,969	61,237
Finance lease liabilities	9,077	-
	695,905	164,443
Long-term liabilities:		
Finance lease liabilities, net of current	35,504	-
Long-term debt	10,330,750	11,117,301
	10,366,254	11,117,301
	11,062,159	11,281,744
Net assets:		
Without donor restrictions	42,101,059	41,631,342
With donor restrictions	54,475,104	39,165,650
	96,576,163	80,796,992
Total liabilities and net assets	$ 107,638,322	$ 92,078,736

See accompanying notes to financial statements

OPPORTUNITY VILLAGE FOUNDATION

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Net assets without donor restrictions		
Revenues, gains, and support:		
Organization and individual contributions	$ 2,467,005	$ 2,777,881
Contributions to capital campaign	99,447	89,341
Federal grants	1,172,221	-
Fundraising revenues, less direct expenses of $738,530 and $622,717, respectively	3,025,419	2,895,493
Investment return, net	6,555,264	5,516,861
Gain on insurance claim	153,099	-
Release of restrictions	82,000	319,514
Total revenues, gains, and support	13,554,455	11,599,090
Program and support services expenses and losses:		
Program services	7,864,702	6,087,761
Support services:		
Fundraising	2,311,703	2,158,233
Management and general	2,796,859	2,931,842
Total program and support services	12,973,264	11,177,836
Bad debt loss	111,474	36,335
Total program and support services expenses and losses	13,084,738	11,214,171
Change in net assets without donor restrictions	469,717	384,919
Net assets with donor restrictions		
Revenues, gains, (losses), and support:		
Organization and individual contributions	-	4,438
Contributions to capital campaign	13,920,154	9,950,747
Investment return, net	1,471,300	975,412
Release of restrictions	(82,000)	(319,514)
Change in net assets with donor restrictions	15,309,454	10,611,083
Change in net assets	15,779,171	10,996,002
Net assets, beginning of year	80,796,992	69,800,990
Net assets, end of year	$ 96,576,163	$ 80,796,992

See accompanying notes to financial statements

OPPORTUNITY VILLAGE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

		Support Services				
	Program Services	Fundraising	Management and General	Special Event Direct Expenses	Total 2024	Total 2023
Contributions to Opportunity Village	$ 7,864,702	$ -	$ -	$ -	$ 7,864,702	$ 6,087,761
Salaries, taxes, and benefits	-	1,532,694	2,123,860	-	3,656,554	3,608,784
Bank and credit card fees	-	-	76,044	-	76,044	81,136
Interest and bond expenses	-	-	513,322	-	513,322	446,696
Occupancy	-	111,322	-	59,310	170,632	138,542
Depreciation	-	96,728	-	-	96,728	99,303
Amortization	-	4,419	-	-	4,419	-
Insurance	-	203,998	-	-	203,998	135,394
Transportation	-	17,795	-	-	17,795	11,986
Supplies	-	8,457	-	530,211	538,668	433,408
Advertising and community relations	-	129,710	-	423	130,133	108,316
Conferences, travel, and meals	-	124,842	-	-	124,842	126,722
Repairs and maintenance	-	42,525	-	-	42,525	49,893
Professional fees	-	22,370	23,724	-	46,094	39,506
Subcontracts and consulting	-	11,073	59,909	-	70,982	256,063
Miscellaneous	-	5,770	-	148,586	154,356	177,043
Total expenses	$ 7,864,702	$ 2,311,703	$ 2,796,859	$ 738,530	13,711,794	11,800,553
Less: special event direct expenses					(738,530)	(622,717)
Total program and support services					$ 12,973,264	$ 11,177,836

See accompanying notes to financial statements

OPPORTUNITY VILLAGE FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flow from operating activities:		
Change in net assets	$ 15,779,171	$ 10,996,002
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	96,728	99,303
Amortization of finance lease ROU assets	4,419	-
Amortization of debt issuance costs (interest)	13,449	13,449
Change in present value discount	(61,121)	(75,341)
Provision for bad debt	91,165	(2,114)
Payments of promises to give restricted for investment in capital campaign and other programs	(13,739,115)	(4,028,959)
Forgiveness of debt to Opportunity Village	7,526,780	5,681,839
Amortization of land pledge	84,039	84,039
Unrealized/realized (gain)/loss on investments	(4,806,758)	(3,942,490)
Changes in operating assets and liabilities:		
Due from Opportunity Village	(7,526,780)	(5,681,839)
Unconditional promises to give	(479,423)	4,076,529
Grants receivable	(387,602)	-
Prepaid expenses and other	(135,300)	266,524
Accounts payable	(16,815)	(2,110)
Accrued expenses	9,291	(8,607)
Deferred revenue	285,732	(73,962)
Net cash provided by (used in) operating activities	(3,262,140)	7,402,263

See accompanying notes to financial statements

OPPORTUNITY VILLAGE FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from investing activities:		
Purchase of property and equipment	(1,681,978)	(234,366)
Purchases of securities	(22,644,844)	(33,377,077)
Proceeds from sales of securities	36,291,581	30,892,591
Net cash provided by (used in) investing activities	11,964,759	(2,718,852)
Cash flows from financing activities:		
Proceeds from contributions restricted for investment in capital campaign and other programs	13,739,115	4,028,959
Payments on finance leases	(8,452)	-
Payments on long-term debt	(800,000)	(800,000)
Net cash provided by financing activities	12,930,663	3,228,959
Net change in cash	21,633,282	7,912,370
Cash and equivalents, beginning of year	14,866,693	6,954,323
Cash and equivalents, end of year	$ 36,499,975	$ 14,866,693
Summary of cash accounts:		
Cash and cash equivalents	$ 5,486,342	$ 14,866,693
Cash and cash equivalents, restricted	24,565,377	-
Cash and cash equivalents, board-designated for long-term purposes	6,448,256	-
	$ 36,499,975	$ 14,866,693
Supplemental disclosures:		
Cash paid for interest	$ 499,872	$ 433,246
ROU finance lease assets obtained with finance lease liabilities	$ 53,033	$ -
Property and equipment obtained with accounts payable	$ 244,177	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Opportunity Village Foundation (Foundation) is a not-for-profit organization organized to raise, invest, and distribute funds to promote the interests of persons with intellectual disabilities and to promote capital campaign drives. The Foundation is supported primarily through donor contributions, grants from donors and organizations, and fundraising events held in the Southern Nevada region, such as the Magical Forest and the Las Vegas Great Santa Run.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Foundation presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Foundation is required to report information regarding its financial position and changes in financial position activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are highly-liquid investments with an initial maturity of three months or less and are stated at the lower of cost or market value. The Foundation has concentrated its credit risk by maintaining deposits in one financial institution, which at most times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The loss would represent the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. The Foundation has not experienced any losses in such accounts and believes it is not exposed to a significant credit risk to cash.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give are recorded at the net present value of estimated future cash flows. The Foundation records an allowance to estimate uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of Long-Lived Assets

The Foundation follows the provisions of the FASB ASC, which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. The Foundation believes that no adjustment for impairment is necessary at June 30, 2024 and 2023.

Deferred revenue

Deferred revenue consists of pre-payments for fundraising events that are scheduled in the fiscal year subsequent to when payment is received. Accordingly, such payments are recorded as deferred revenue and recognized as revenue in the fiscal year that the events occur.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services

Donated services are recognized as contributions in accordance with the FASB ASC, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of $5,000 and with a useful life of greater than one year. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Costs associated with the acquisition, development, and construction of a project are capitalized as construction in progress and are not depreciated until placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the associated assets. The useful lives are estimated as follows:

- 5 years for vehicles
- 3 to 5 years for furniture, fixtures and equipment
- 5 to 25 years for buildings and improvements

On July 1, 2023, the Foundation updated its capitalization policy to the policy noted above. Management does not believe this resulted in any material adjustments to prior periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged, including bequests and unconditional promises to give, at their estimated net realizable value. Bequests are recognized at the time the Foundation's right to them is established by a court and to the extent the value of proceeds is subject to reasonable estimation.

Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence or absence, respectively, of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Services Expense Allocation

Opportunity Village, Inc. (Opportunity Village), a not-for-profit organization operated to assist and train adults with intellectual disabilities through vocational training, employment and similarly organized services, provides management services, facilities maintenance, and custodial services to the Foundation under an annual agreement. For the years ended June 30, 2024 and 2023, expenses under this agreement were $2,123,859 and $2,310,677, respectively. These expenses are included in salaries, taxes, and benefits in the statement of functional expenses.

Functional Allocation of Expenses

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

Advertising

The Foundation expensed all advertising costs as they were incurred. Advertising costs totaled $82,430 and $46,709 for the years ended June 30, 2024 and 2023, respectively.

Comparative Financial Information and Reclassifications

The statement of functional expenses includes certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with the FASB ASC. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived. Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 presentation.

Leases

The Foundation leases a vehicle under a finance lease arrangement and determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease liabilities in the statements of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Foundation's leases do not provide an implicit rate, a risk-free rate is used based on information available at the commencement date in determining present value of lease payments. The finance lease ROU assets also include any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Foundation has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases, the Foundation accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments were incurred.

Income Tax Status

The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code. In the preparation of tax returns, tax positions are taken based on interpretation of federal, state and local income tax laws. In accordance with the FASB ASC, management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified or recorded as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to six years.

New Accounting Pronouncement

In June 2016, the FASB issued guidance FASB ASC Topic 326, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Foundation adopted this standard effective July 1, 2023 and did not hold any assets subject to the guidance in FASB ASC 326 as of June 30, 2024. Accordingly, there was no material impact to the Foundation's financial statements as a result of adoption.

Subsequent Events

Subsequent events have been evaluated through November 12, 2024, which is the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation receives investment and contribution revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Foundation's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	As of June 30,	
	2024	2023
Cash and cash equivalents	$ 5,486,342	$ 14,866,693
Investments, current	40,278,630	36,760,221
Unconditional promises to give, current	211,151	88,588
	45,976,123	51,715,502
Less: Board-designated endowments	(500,000)	(482,827)
Financial assets available to meet cash needs for general expenditures within one year	$ 45,476,123	$ 51,232,675

To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of $3,000,000 which it could draw upon (Note 10). Additionally, as discussed in Note 7, the Foundation is required to meet certain covenants related to bonds payable.

3. INVESTMENTS

Investments in marketable equity securities with readily determinable fair values are stated at fair value. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur.

Investments consist of the following:

	As of June 30,	
	2024	2023
Corporate bonds and bond funds	$ 25,018,513	$ 30,064,721
Equity securities	36,892,437	41,566,338
Certificates of deposit	880,130	-
Total	62,791,080	71,631,059
Less: current portion	(40,278,630)	(36,760,221)
Total noncurrent investments	$ 22,512,450	$ 34,870,838

4. FAIR VALUE MEASUREMENTS

Fair value is identified as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured according to a hierarchy that includes: "Level 1" inputs, such as quoted prices in an active market for identical assets or liabilities; "Level 2" inputs, which are observable inputs for similar assets; or "Level 3" inputs, which are unobservable inputs.

The Foundation's recurring investment assets measured at fair value are listed below. No liabilities are held at fair value.

	Level 1	Level 2	Level 3	Total Fair Value
As of June 30, 2024				
Corporate bonds and bond funds	$ 25,018,513	$ -	$ -	$ 25,018,513
Equity securities	36,892,437	-	-	36,892,437
Certificates of deposit	880,130	-	-	880,130
Total	$ 62,791,080	$ -	$ -	$ 62,791,080

	Level 1	Level 2	Level 3	Total Fair Value
As of June 30, 2023				
Corporate bonds and bond funds	$ 30,064,721	$ -	$ -	$ 30,064,721
Equity securities	41,566,338	-	-	41,566,338
Total	$ 71,631,059	$ -	$ -	$ 71,631,059

5. ENDOWMENTS

Endowment funds include donor funds restricted in perpetuity, as detailed in Note 11, and Board-designated funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions.

Interpretation of Relevant Law: The Board of Directors (Board) of the Foundation has interpreted Nevada state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor-gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the donor's wishes. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

5. ENDOWMENTS

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Investments, restricted in perpetuity	$ -	$ 20,221,705	$ 20,221,705
Investments, Board-designated	500,000	-	500,000
	$ 500,000	$ 20,221,705	$ 20,721,705

Changes in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 482,827	$ 19,690,768	$ 20,173,595
Investment return, net	17,173	1,806,308	1,823,481
Amounts appropriated and transferred out of endowment funds	-	(1,275,371)	(1,275,371)
Endowment net assets, end of year	$ 500,000	$ 20,221,705	$ 20,721,705

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Investments, restricted in perpetuity	$ -	$ 19,690,768	$ 19,690,768
Investments, Board-designated	482,827	-	482,827
	$ 482,827	$ 19,690,768	$ 20,173,595

5. ENDOWMENTS

Changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 434,441	$ 6,710,125	$ 7,144,566
Transfer to endowment fund	-	12,327,618	12,327,618
Investment return, net	48,386	975,412	1,023,798
Amounts appropriated and transferred out of endowment funds	-	(322,387)	(322,387)
Endowment net assets, end of year	$ 482,827	$ 19,690,768	$ 20,173,595

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2024, there were no funds with deficiencies reported in net assets with donor restrictions. As of June 30, 2023, funds with original gift values of $7,894,087, fair values of $7,363,150, and deficiencies of $530,937 were reported in net assets with donor restrictions. The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to permit spending from underwater endowments in accordance with prudent measures required under law. As required by the Foundation's endowment policies, no spending from underwater endowments will occur until the original gift value is restored through subsequent increases in fair value.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results while assuming a low level of investment risk. The Foundation expects its endowment funds, on an annualized basis, to provide a total return that is superior to the weighted indices of the composite portfolio. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based and fixed-income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation's Board of Directors determines each year the appropriation indices of its endowment funds based on the needs of the Foundation and Opportunity Village. In establishing this policy, the Foundation considers the long-term expected return on its endowment.

6. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded at the net present value of estimated future cash flows using discount rates ranging between 0.16% and 4%. Amounts are recorded as net assets with donor restrictions until released from restriction. Unconditional promises to give consist of the following:

	As of June 30,	
	2024	2023
Unconditional promises to give for:		
Capital campaign	$ 280,486	$ 12,214
Other	211,151	-
Oakey Campus land lease (See Note 9)	683,604	703,710
Engelstad Campus land lease (See Note 9)	5,135,837	5,199,770
Total unconditional promises to give	$ 6,311,078	$ 5,915,694
Receivable in less than one year	$ 374,614	$ 88,588
Receivable in one to five years	558,658	344,956
Receivable in more than five years	5,377,806	5,482,150
Total unconditional promises to give	6,311,078	5,915,694
Less: unamortized discount	(3,963,380)	(4,024,501)
Less: allowance for doubtful accounts	(97,203)	(6,038)
Net unconditional promises to give	2,250,495	1,885,155
Less: current portion	(295,190)	(88,588)
Net long-term unconditional promises to give	$ 1,955,305	$ 1,796,567

7. BONDS PAYABLE

In January 2007, Opportunity Village and the Foundation entered into an agreement to borrow funds from the proceeds of the sale of bonds issued by Clark County, Nevada. The Variable Rate Demand Economic Development Revenue Bonds (Opportunity Village Foundation Project) Series 2007 were issued in the amount of $24,275,000. The debt is recorded on the books of the Foundation as the Foundation has the obligation for repayment. The funds were restricted to various construction projects and were used to finance the costs of construction of the Engelstad Campus and the renovation and improvement of the administrative facilities located at the Oakey Campus.

No principal payments are due on the bonds until their maturity date of January 1, 2037. Interest only payments are due monthly, and the variable interest rate is determined by the bond remarketing agent not to exceed 12%. The overall effective rate of interest on the bonds for fiscal year 2024 was 3.84%.

Attached to the bond is a mandatory letter of credit with a separate bank, which is the only collateral for the bonds. The letter of credit is in the amount of the bond proceeds plus 39 days accrued interest. The original letter of credit was replaced with a subsequent letter of credit effective February 10, 2011, which expires April 2025. The subsequent letter of credit of $10,634,630 consists of $10,500,000 principal plus $134,630, which represents 39 days of accrued interest at the maximum rate of 12% per annum.

7. BONDS PAYABLE

As part of the agreement under the letter of credit, the Foundation, combined with Opportunity Village, must maintain a ratio of unrestricted cash and investments to debt of at least 1.10 to 1.00 and a debt service coverage ratio of at least 1.25 to 1.00 at June 30 of each year. As of June 30, 2024 and 2023, these compliance requirements were waived by the bank holding the related letter of credit. No amount was drawn on this letter of credit as of June 30, 2024 and 2023.

8. DEFERRED BOND ISSUANCE COSTS

Deferred bond issuance costs consist of the following:

	For the year ended June 30,	
	2024	2023
Deferred bond issuance costs	$ 587,669	$ 587,669
Less: accumulated amortization	(418,419)	(404,970)
	$ 169,250	$ 182,699

Amortization (interest) expense was $13,449 for each of the years ended June 30, 2024 and 2023, respectively.

Future estimated amortization for deferred bond issuance costs are as follows:

Fiscal year ending June 30:

2025	$ 13,449
2026	13,449
2027	13,449
2028	13,449
2029	13,449
Thereafter	102,005
	$ 169,250

9. LEASES

Land leases

In November 1990, the Foundation entered into an agreement with the State of Nevada to lease land, upon which the Foundation constructed a campus to serve people with disabilities, known as the “Oakey Campus”, which building was donated to Opportunity Village. The term of the land lease was amended in July 2009 to 49 years with no rental payments and will expire on June 30, 2058. The fair value of donated rent to be received under this lease has been estimated at $20,041 per year and is recorded as an unconditional promise to give, net of present value discount on the books of the Foundation. The related expenses are recorded as contributions to Opportunity Village.

9. LEASES

In May 2004, the Foundation entered into an agreement with Clark County to lease land, upon which the Foundation constructed a campus to serve people with disabilities, known as the "Engelstad Campus", which was completed and donated to Opportunity Village in October 2009. The term of the land lease was amended in September 2006 for 99 years with annual rental payments of $1,200 and will expire on April 30, 2103. The fair value of donated rent to be received under this lease has been estimated at $63,933 per year and has been recorded as an unconditional promise to give, net of present value discount, on the books of the Foundation. The related expenses are recorded as contributions to Opportunity Village.

Finance leases

The Foundation has one finance lease for a vehicle. The finance lease liability was calculated using a discount rate of 3.80%, has a remaining lease term of 55 months as of June 30, 2024, and requires monthly payments of $885. As of June 30, 2024, the asset recorded under the finance lease was $53,033 and accumulated amortization associated with the finance lease was $4,419. Lease cost consisted of $741 in interest expense and $4,419 in amortization of ROU assets.

Future minimum lease payments required under the finance lease as of June 30, 2024 are as follows:

2025	$ 10,614
2026	10,614
2027	10,614
2028	10,614
2029	5,307
Total future minimum lease payments	47,763
Less: amount representing imputed interest	(3,182)
	$ 44,581

10. COMMITMENTS AND CONTINGENCIES

The Foundation may become involved in legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, results of operations, or liquidity.

The Foundation and Opportunity Village collectively secure a $3,000,000 revolving line of credit. Advances on the credit line are payable on demand and carry an interest rate equal to: 1) the greater of 2.0% or the prime rate minus 1.0% or 2) the greater of 2.0% or the Daily Simple SOFR plus 2.05%, at the option of the Foundation. The credit line is unsecured and expires on April 13, 2025. No amount was drawn on this credit line as of June 30, 2024 and 2023.

During the year ended June 30, 2024, Opportunity Village Foundation began construction of the Northwest Campus and Betty's Village North project (Project). The Project, with a total expected cost of approximately $60 million, is anticipated to be completed during the year ended June 30, 2025. Upon finalization of the Project, the Foundation plans to contribute all associated property and equipment to Opportunity Village.

10. COMMITMENTS AND CONTINGENCIES

Opportunity Village will utilize the new Northwest Campus for its program activities and the new Betty's Village Northwest Campus as an inclusive residential housing community for people of diverse abilities. In connection with the Project, the Foundation entered into multiple agreements for architects, project developers, and other professionals. These contracts include various commitments should the Project be terminated by the Foundation with a minimum stated aggregate amount of $120,000 and other unspecified fees reasonable to demobilize from the site.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes and periods:

	As of June 30,	
	2024	2023
Subject to expenditure for a specific purpose:		
Capital campaign	$ 28,036,698	$ 14,116,544
Recreation programs	1,204,413	1,253,501
Scholarships	1,744,852	1,613,340
Fuel usage	-	19,171
Magical Forest capital and maintenance	82,418	88,411
Lied training	63,403	62,771
Outings and entertainment	68,492	68,492
Naming rights	50,000	50,000
Residential services	1,130,606	322,387
	32,380,882	17,594,617
Subject to the passage of time:		
Land leases	1,872,517	1,880,265
Subject to endowment spending policy and appropriation, donor-restricted in perpetuity:		
Opportunity Village Endowment	73,250	71,507
Lied Foundation Endowment (1)	2,229,088	2,077,287
Walters Endowment – Magical Forest	150,000	139,785
Engelstad Scholarship Endowment	4,000,000	3,727,600
Crawford Endowment – Magical Forest	742,500	691,936
Forrest Endowment (1)	399,249	372,060
Nitz Scholarship Endowment	300,000	282,975
Residential Services Endowment	12,327,618	12,327,618
	20,221,705	19,690,768
Total net assets with donor restrictions	$ 54,475,104	$ 39,165,650

(1) Earnings from these endowments are unrestricted.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were held as follows:

	As of June 30,	
	2024	2023
Cash	$ 24,565,377	$ -
Investments	25,602,221	37,045,410
Unconditional promises to give	2,250,495	1,885,155
Construction in progress	2,057,011	235,085
Total net assets with donor restrictions	$ 54,475,104	$ 39,165,650

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	For the year ended June 30,	
	2024	2023
Satisfaction of purpose restrictions:		
Recreation programs	$ 49,088	$ 80,385
Fuel usage	19,171	131,498
Magical Forest capital and maintenance	5,993	83,208
Lied training	-	16,978
	74,252	312,069
Expiration of time restrictions:		
Land leases	7,748	7,445
Total net assets released from donor restrictions	$ 82,000	$ 319,514

12. RELATED PARTY TRANSACTIONS

Opportunity Village has historically relied on the Foundation to provide contributions and cash to cover operational shortfalls. However, Opportunity Village is independent for financial reporting purposes as the entities are not under common control. The Foundation transferred cash balances totaling $7,100,000 and $6,000,000 for the years ended June 30, 2024 and 2023, respectively, to Opportunity Village to cover operating shortfalls.

The Foundation recognized grant disbursements to Opportunity Village totaling $7,864,702 and $6,079,260 for the years ended June 30, 2024 and 2023, respectively. Included in these contributions are the following items:

	For the year ended June 30,			
	2024		2023	
Scholarships	$	75,693	$	47,244
Donations and interest income related to programs		178,190		266,138
In-kind rent (1)		84,039		84,039
Forgiveness of debt due from Opportunity Village (2)		7,526,780		5,681,839
Total grant disbursements	$	7,864,702	$	6,079,260

(1) The Foundation has been granted by Clark County the right to use the land on which the Oakey Campus and Engelstad Campus were constructed. The land leases are recorded as unconditional promises to give by the Foundation. For additional information, see Note 9. As the assets and buildings of the Oakey Campus and Engelstad Campus are owned by Opportunity Village, Opportunity Village recognized $84,039 and $84,039 in in-kind rent expense for the years ended June 30, 2024 and 2023, respectively.

(2) Related-party receivables and payables are the result of cash payments between the Foundation and Opportunity Village for operating needs, transfers of property and equipment, and payments for management services as described in Note 1. These balances are monitored by the Boards of each respective organization and may be forgiven by each organization as necessary.

13. CONDITIONAL PROMISE TO GIVE

In January 2023, a donor promised to give $10 million to the Foundation for the Northwest Campus capital campaign on the condition that a matching dollar amount of funding is raised for the same purpose between January 18, 2023 and December 31, 2023. The funds raised were required to be available in cash, specifically excluding promises to give and in-kind contributions. The Foundation raised the required amount by December 31, 2023 and received payment on the promise to give during the year ended June 30, 2024.

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

To the Board of Directors
Opportunity Village Foundation
Las Vegas, 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 Opportunity Village Foundation (Foundation) (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 our report thereon dated November 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Opportunity Village Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 12, 2024

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

To the Board of Directors
Opportunity Village Foundation
Las Vegas, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Opportunity Village Foundation's (Foundation) 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 the Foundation's major federal programs for the year ended June 30, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation 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

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 12, 2024

OPPORTUNITY VILLAGE FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Grantor and Program Title	Assistance Listing Number	Pass-Through Identifying Number		Total Federal Expenditures
United States Department of the Treasury				
Passed through Opportunity Village, Inc.:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		$	574,000
Passed through the State of Nevada:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027			598,221
Total United States Department of the Treasury				1,172,221
Total federal expenditures			$	1,172,221

See accompanying notes to schedule of expenditures of federal awards

OPPORTUNITY VILLAGE FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATES

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

OPPORTUNITY VILLAGE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of Opportunity Village Foundation.

2. One instance of material weakness and one instance of significant deficiency related to the audit of the financial statements required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

3. No instances of noncompliance material to the financial statements of Opportunity Village Foundation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

4. No material weaknesses or significant deficiencies related to the audit of major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for Opportunity Village Foundation expresses an unmodified opinion.

6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516 (a).

7. The program tested as a major program was the U.S. Department of Treasury, Assistance Listing Number 21.027, Coronavirus State and Local Fiscal Recovery Funds.

8. The threshold used for distinguishing between Type A and Type B programs was $750,000.

9. Opportunity Village Foundation does not qualify as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

2024-001 Material Adjustments

Criteria: Financial statements are required to be fairly stated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition: Material adjustments were discovered that needed to be posted to the accounting records in order for the financial statements to be fairly stated in accordance with U.S. GAAP.

Cause: Internal controls over account reconciliations were not consistently applied.

Effect: Material adjustments to reconciled general ledger balances were required.

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

Recommendation: We recommend that management design and implement a system whereby all general ledger balances are reviewed prior to being submitted for audit to ensure all balances are recognized in accordance with U.S. GAAP.

Views of Responsible Officials and Planned Corrective Action: The organization implemented updates on November 10, 2024, to enhance the construction draw and request for funds from grants processes by including a critical step: a review by the Controller and/or Chief Financial Officer (CFO) for potential accruals before finalizing the month-end close. This additional layer of review strengthens financial accuracy and ensures timely adjustments to month-end reporting. To support consistency and accountability, this new task was also added to the monthly task tracker, reinforcing thorough completion of all financial closing tasks before month-end.

2024-002 Entity Identification

Criteria: Although Opportunity Village, Inc. and Opportunity Village Foundation are related parties with shared staff and members of management, the organizations are legally distinct entities. With this, there is an expectation that any contracts or agreements executed will be correctly identified with and carried by the entity for which the contract/agreement creates associated assets and/or liabilities.

Condition: During our audit, we noted that certain contracts and agreements entered into by Opportunity Village, Inc. or Opportunity Village Foundation were accounted for as the contract/agreement of and included in the records of the incorrect entity.

Cause: Internal controls over proper entity identification when executing agreements and contracts were not well-designed nor were they operating effectively.

Effect: As a result, balances related to a finance lease were recorded as those of Opportunity Village Foundation, although Opportunity Village, Inc. executed the contract and, therefore, is entitled to any related rights/obligated to meet any related liabilities.

Recommendation: We recommend management develop a system of internal controls that ensures consideration is given to the entity identified in any contracts/agreements before execution and that specific identifiers such as legal name, entity identification number (EIN), and in the case of Federal grant applications, unique entity identifier (UEI) are used to distinguish the organization entering into the agreement.

Views of Responsible Officials and Planned Corrective Action: On November 6, 2024, the organization implemented an update to the Contract Routing Form (CRF) and the associated Standard Operating Procedures (SOPs) to strengthen contract compliance and oversight. The CRF now includes an entity validation check, a crucial addition designed to confirm that the contracting parties are properly represented and aligned with the organization's authority structure.

Furthermore, the SOPs were revised to mandate a thorough review by the designated team before final contract approval. This review specifically verifies that the entity listed in each contract is consistent with the organization's structural hierarchy and authorized signatory requirements. By integrating this validation step, the process ensures that any discrepancies in organizational alignment are identified and resolved prior to execution. This enhancement serves as an essential safeguard for compliance and accountability, promoting a higher standard of diligence and accuracy in contract management.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

None.