

# **Neighbors in Need of Services, Inc. (NINOS, Inc.)**

**Audited Annual Consolidated  
Financial Report**

**For Fiscal Year Ended  
March 31, 2024**



**Oscar R. Gonzalez CPA  
& Associates PLLC**  
Certified Public Accountants

**Neighbors in Need of Services, Inc.**  
**Audited Annual Consolidated Financial Statements**  
**For the Fiscal Year Ended March 31, 2024**

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## **INTRODUCTORY SECTION**

**Neighbors in Need of Services, Inc.**  
Audited Annual Consolidated Financial Report  
For the Fiscal Year Ended March 31, 2024

**Board of Directors**

**ROBERTO LOPEZ, CPA**  
Chairperson

**MARY F. SOSA-VILLARREAL**  
Vice-President

**JUANITA ORTIZ**  
Secretary/Parlamentarian

**ESPERANZA VERA**  
Treasurer/Sergeant at Arms

**DENJUAMI BARKER**  
Member

**GILBERTO HINOJOSA**  
Member

**JUAN MORENO, JR**  
Member

**ALMA RUIZ**  
Member

**MELISSA N. TAMAYO**  
HS/EHS Policy Council Liaison

**DAVID KOWALSKI**  
Executive Director

**TRACY L. TORRES**  
Finance Director

## **FINANCIAL SECTION**



**Oscar R. Gonzalez CPA  
& Associates PLLC**

Certified Public Accountants

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(956) 787-9909 fax: (956) 787-3067  
info@orgcpa.com

Partners:

Oscar R. Gonzalez, CPA  
Melissa Gonzalez, CPA

Associates:

Janet Robles, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Neighbors in Need of Services, Inc.

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying combined financial statements of Neighbors in Need of Services, Inc. (a nonprofit organization) and subsidiaries, which comprise the combined statement of financial position as of March 31, 2024, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Neighbors in Need of Services, Inc. as of March 31, 2024, and its subsidiaries 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 Combined Financial Statements section of our report. We are required to be independent of Neighbors in Need of Services, Inc. and subsidiaries 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Neighbors in Need of Services, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the combined 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 combined 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 combined 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 combined 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 combined 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Neighbors in Need of Services, Inc. and subsidiaries' 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.

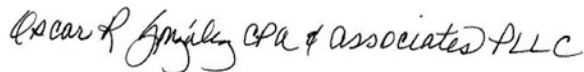
### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the combined 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 combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' internal control over financial reporting and compliance.

Handwritten signature of Oscar R. Gonzalez in cursive, followed by the text "CPA & Associates PLLC".

Oscar R. Gonzalez, CPA & Associates, PLLC  
Certified Public Accountants

Pharr, Texas  
December 20, 2024



## **BASIC FINANCIAL STATEMENTS**

**Neighbors in Need of Services, Inc.**  
**Consolidated Statement of Financial Position**  
**March 31, 2024**

	2024
<b>Assets</b>	
Cash and Cash Equivalents	\$ 203,053
Investment - Certificate of Deposit	120,000
Grants Receivable	1,458,564
Other Receivables	10,248
Prepaid Assets	16,733
Prepaid Insurance	20,073
Other Assets - Right to Use Asset (Net)	75,830
Property and Equipment (Net)	5,438,770
<b>Total Assets</b>	<b>\$ 7,343,271</b>
 <b>Liabilities</b>	
Accounts Payable	\$ 610,825
Accrued Salaries and Payroll Tax	854,718
Lease Liability	76,950
Current Portion of Long-Term Debt	52,103
Long-Term Debt - USDA	2,592,312
<b>Total Liabilities</b>	4,186,908
 <b>Net Assets</b>	
Without Donor Restrictions	3,032,484
With Donor Restrictions	123,879
<b>Total Net Assets</b>	3,156,363
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,343,271</b>

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

**Neighbors in Need of Services, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended March 31, 2024**

**CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:**

	2024
<b>Revenues and Gains</b>	
Other Revenue	\$ 85,862
<b>Total Revenues and Gains</b>	
<b>Without Donor Restrictions</b>	85,862
Net Assets Released from Restrictions	
Restrictions Satisfied by Expenditures Incurred	28,531,209
<b>Total Net Assets Released from Restrictions</b>	28,531,209
<b>Total Revenue, Gains, and Other</b>	
<b>Support Without Donor Restrictions</b>	28,617,071
<b>Expenses</b>	
Program Services	
Program Expenses	26,924,877
Support Services	
General and Administrative	2,331,897
Fundraising Expenses	14,400
<b>Total Expenses</b>	29,271,174
<b>Increase (Decrease) in Net Assets</b>	
<b>Without Donor Restrictions</b>	(654,103)

**CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:**

Federal Grant Revenue	
Department of Health & Human Services Commission	26,763,327
Texas Department of Agriculture	1,767,882
Other Grants and Contributions	-
Net Assets Released from Restrictions	(28,531,209)
<b>Increase (Decrease) in Net Assets</b>	
<b>With Donor Restrictions</b>	-
<b>Change in Net Assets</b>	(654,103)
Prior Period Adjustment	446,708
<b>Net Assets, Beginning of Year</b>	3,363,758
<b>Total Net Assets, End of Year</b>	\$ 3,156,363

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

**Neighbors in Need of Services, Inc.**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended March 31, 2024**

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising Expense</u>	
<b>Expenses</b>				
Auto Expense	\$ 47,647	\$ -	\$ -	\$ 47,647
Building Occupancy	529,711	-	-	529,711
Classroom Supplies	389,854	-	-	389,854
Contracted Services	51,150	75,180	-	126,330
Depreciation	203,523	101,407	-	304,930
Dues and Subscriptions	44,904	-	-	44,904
Employee Benefits	4,517,495	-	-	4,517,495
Food Expense	1,341,551	-	-	1,341,551
Fundraising	10,887	-	-	10,887
Insurance Expense	395,220	-	-	395,220
Interest Expense	84,179	-	-	84,179
Kitchen Supplies	125,081	-	-	125,081
Marketing	-	25,146	14,400	39,546
Medical Supplies	23,018	-	-	23,018
Office Expense	3,576	-	-	3,576
Office Supplies	94,005	53,503	-	147,508
Other Expense	369,018	58,610	-	427,628
Parent Services	39,731	-	-	39,731
Payroll Taxes	1,536,819	-	-	1,536,819
Rent Expense	84,623	-	-	84,623
Right To Use Amortization	77,823	-	-	77,823
Repairs and Maintenance	642,532	45,300	-	687,832
Salary and Wages	15,478,079	1,902,735	-	17,380,814
Staff Development	314,149	-	-	314,149
Telephone Expense	98,823	-	-	98,823
Travel Expense	58,784	70,016	-	128,800
Utilities Expense	362,695	-	-	362,695
<b>Total Expenses</b>	<u>\$ 26,924,877</u>	<u>\$ 2,331,897</u>	<u>\$ 14,400</u>	<u>\$ 29,271,174</u>

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

**Neighbors in Need of Services, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended March 31, 2024**

Cash Flows from Operating Activities:		
Change in Net Assets		\$ (654,103)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities		
Depreciation Expense		304,930
Amortization - Right to Use Asset		77,823
Change in Assets and Liabilities:		
(Increase) Decrease in Grant Receivables	\$ (47,276)	
(Increase) Decrease in Other Receivables	1,508	
(Increase) Decrease in Prepaid Expenses	6,645	
(Increase) Decrease in Right to Use Asset	(73,717)	
Increase (Decrease) in Accounts Payable	(252,972)	
Increase (Decrease) in Deferred Revenue	(8,813)	
Increase (Decrease) in Lease Liability	(4,168)	
Increase (Decrease) in Wage and Salary Payable	35,718	
		(343,075)
<b>Net Cash Provided (Used) by Operating Activities</b>		<b>(614,425)</b>
Cash Flows from Investing Activities:		
Aquisition of Capital Assets	(918,726)	
Purchase of Certificate of Deposit	(120,000)	
<b>Net Cash Provided (Used) for Investing Activities</b>		<b>(1,038,726)</b>
Cash Flows from Financing Activities:		
Payment of Long-term Debt	(56,465)	
<b>Net Cash Provided (Used) for Financing Activities</b>		<b>(56,465)</b>
Net Increase (Decrease) in Cash and Cash Equivalents		(1,709,616)
Cash and Cash Equivalents at Beginning of Year		1,912,669
<b>Cash and Cash Equivalents at End of Year</b>		<b>\$ 203,053</b>
Supplementary Information		
Interest Expense		\$ 84,179
Cost of Right to Use Asset (Net)		\$ 75,830
Right to Use Lease Payable		\$ (76,950)

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

Neighbors In Need of Services, Inc. ("NINOS, INC.") is a not-for-profit Texas corporation organized in 1990. The primary purpose of NINOS, INC. is to operate the Head Start Program in Cameron and Willacy Counties as sponsored by the U.S. Department of Health and Human Services. NINOS, INC. provides child development services including education services to children from infancy up to compulsory enrollment in school. These services are available to children based on family income guidelines and include children with disabilities. NINOS, INC. also operates the Child and Adult Care Food Program from the Texas Department of Human Services, which is sponsored by the U.S. Department of Agriculture. The Food Program participates with the Head Start and Early Head Start Programs in providing support for nutrition assistance services. NINOS, INC. also receives funding from the Head Start/Early Head Start Regional office via the Training and Technical Assistance Program (T/TA). The financial activity of Advocacy of NINOS, INC., Inc. and the Head Start Policy Council, both subsidiaries of NINOS, INC. for the purpose of financial reporting have been consolidated with NINOS, INC.'s financial activity and all appropriate consolidating eliminations have been made as a result of the consolidation.

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The financial statements are prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

*Financial Statement Presentation and Contributions and Support*

NINOS, INC. has elected to adopt Statement of Financial Accounting Standards ("SFAS") No. 117, Financial Statement of Not-for -Profit Organizations. Under SFAS No. 117, NINOS, INC. is required to report information regarding its financial position and activities according to three classes of net assets, temporarily restricted net assets, and permanently restricted net assets.

NINOS, INC. also elected to adopt SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is when the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets from restrictions: Satisfaction or usage restriction. NINOS, INC. has no permanently restricted net assets.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION** (continued)

*Classification of Net Assets*

- *Net Assets with Donor Restrictions:* – net assets subject to donor-imposed restriction (donors include other types of contributors, including makers of certain grants).
- *Net Assets without Donor Restrictions:* – net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants)
- *Underwater Endowment Fund:* - an endowment fund, which is donor-restricted, for which the fair value of the fund at the reporting date is less than either the amount of the original gift or the amount required to be maintained by the donor or by law that extends donor restrictions.

*Cash and Cash Equivalents*

For purposes of reporting the statement of cash flows, NINOS, INC. considers all cash accounts, which are not subject to withdrawal restrictions or penalties, purchased with maturity of three months or less to be cash equivalents.

*Concentration of Risk*

In 2024, 99% of Neighbors in Need of Services Inc.'s revenues were provided through grants from the U.S. Department of Health and Human Services.

*Concentration of Credit Risk*

The Federal Deposit Insurance Corporation (FDIC) insures each depositor up to \$250,000. Deposits in some institutions may at times exceed FDIC insurance coverage. Bank account balances may at times exceed FDIC insurance limits; however, management believes its cash accounts are not exposed to any significant risk.

*Contributions*

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restriction. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contribution as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.



**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION** (continued)

Revenue

NINOS, Inc. receives revenue from several types of transactions and is recognized in the financial statements in the following manner: 1. *Grant Income*-monthly accrual on incurrence of allowable cost, 2. *In-Kind Contributions*-recognized as income when received, 3. *Program Income*-includes refunds and other applicable credits and is recognized as a reduction in expenditures in the period in which it is received, 4. *Nongovernmental Cash Contribution*-recognized as income when received, unless accompanied by restrictions or conditions, and finally 5. *Fees for Service Income*-recognized as income when services are rendered unless the collection of amounts due is in question. In this case, revenue is recognized when payment are received. Immaterial categories of revenue may be recorded on the cash basis of accounting.

Recognition of Grant Support

Head Start, Early Head Start and THHSC grant funds are recognized as support when related program expenses are incurred. Food Program grants funds are recognized as support when complete program meals and snacks are provided to eligible participants. The number of resources recognized under the food program is based on the number of complete program meals and snacks provided times the related rates authorized by the grantor.

Donated Services and Materials

In-kind support is recorded as revenue and expense in the accompanying consolidated statements of activities only if the contribution meets the requirements of Not-for-Profit Entities. For contributed services to be recognized as revenue, services must be those that would normally be paid for, the same as those normally provided by the donor, and clearly measurable. The Organization received \$0 in such services during 2023-2024.

Functional Allocation of Expenses

The expenses of NINOS, INC. have been reported on a functional basis. This requires the allocation of certain expenses between program and support services based on an analysis of each expense account or in certain instances on estimates made by management.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined by the first in, first out method, and market represents the lower of replacement cost or estimated net realizable value.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION** (continued)

*Fair Value Measurements*

Generally accepted accounting principles define fair value, establish a framework for measuring fair value and establish hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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. A fair market value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset and liability or, in absence of a principal market the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value into three broad levels:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets or liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

*Property and Equipment*

Leasehold improvements are carried at cost net of accumulated amortization. Amortization is computed on a straight-line basis over the term of the lease.

Equipment, furnishings and building in excess of \$5,000 are capitalized and carried at cost net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets of a period ranging from 5 to 50 years. Equipment and Furnishings costing less than \$5,000 are charged to expense when incurred.

Buildings, furniture and equipment of NINOS, INC. are depreciated using the straight-line method over the following estimated useful lives:

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)**

*Property and Equipment (continued)*

<b><u>Assets</u></b>	
Buildings	40 Years
Leashold Improvements	39 Years
Land Improvements	20 Years
Portable Buildings	15 Years
Office Equipment	10 Years
Motor Vehicles	5 Years
Heavy Construction Equipment	5 Years
Computer Equipment	5 Years
Kitchen Equipment	5 Years

All property, equipment, and furnishings have been acquired with Federal grant assistance; therefore, any proceeds received from the disposition of such property are to be administered as follows. If NINO, INC.'s program for which the property was acquired is still receiving grant support from the same federal program, the grantor may authorize use of any proceeds received for allowable costs of that program. Otherwise, the net amount of any proceeds received must be remitted to the grantor.

*Income Taxes*

NINOS, INC. is a not-for-profit organized under section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal income taxes and, accordingly, no provision for income taxes is included in the financial statements. In addition, it has been determined by the Internal Revenue Service not to be a "private" foundation within the meaning of Section 509 (a) of the Internal Revenue Code. There was no unrelated business income for the year ended March 31, 2024. Federal income tax and information returns for tax years 2021, 2022 and 2023 remain subject to examination by the Internal Revenue Service.

*New Accounting Standards*

In year 2024, the organization adopted a new statement or financial accounting standard issued by the Financial Accounting Standards Board (FASB):

- ASU 2023-8 -Intangibles-Goodwill and other Crypto Assets (subtopic 350-60)

ASU 2023-08- The amendments in this update require that an entity present (1)crypto assets measured at fair value separately from other intangible assets in the balance sheet and (2)changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement (or statement of activities for non-profit entities).

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION** (continued)

*New Accounting Standards (continued)*

In addition, fair value, measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement test those assets for impairment, thereby reducing the associated cost and complexity of applying the current guidance.

The amendments in the update are effective for fiscal years beginning after December 15, 2024, and for interim periods must adopt them as of the beginning of the fiscal year.

*Compensated Absences*

Employees of NINOS, INC. are entitled to paid vacation depending on length of service and other factors. At year end, there were no accrued time owed to employees.

Sick leave is not accrued because it does not vest. Employees are not paid for any unused sick leave at termination of employment.

*Marketing Costs*

The Organization expenses marketing costs as they are incurred. As of March 31, 2024, marketing costs totaled \$39,546.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires managements to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

**NOTE 2-AVAILABILITY AND LIQUIDITY**

The following represents NINOS, INC.'s financial assets at March 31, 2024.

Financial assets at year end:		<u>2024</u>	
Cash and cash equivalents	\$	203,053	
Investment-Certificate of Deposit		120,000	
Accounts receivables		<u>1,468,812</u>	
Total financial assets		<u>1,791,865</u>	
Less amounts not available to be used within one year:			
Funds restricted by donors		123,879	
Investments designated for capital purchases		<u>-</u>	
		<u>123,879</u>	
Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>1,667,986</u></u>	

**NOTE 3-DEPOSITS AND INVESTMENTS**

At March 31, 2024, the carrying amount of the NINOS, INC. deposits (cash, certificates of deposits, and interest-bearing savings accounts included in temporary investments) was \$323,053 and the bank balance was \$457,891. Deposits are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. PNC Bank exceeded FDIC insurance limits by \$207,891.

NINOS, INC. deposits and investments at March 31, 2024 are shown below:

Bank	Type	Carrying Amount	Bank Balance	FDIC Insurance Coverage	Amount Over (Under) Insured
PNC Bank	Checking	\$ 200,751	\$ 345,891		
	Certificate of Deposit	<u>120,000</u>	<u>120,000</u>		
Total Cash and Investments PNC		\$ 320,751	<u>\$ 465,891</u>	\$ 250,000	\$ (215,891)
	Petty Cash	<u>2,302</u>			
Total Cash and Cash Equivalents		<u>\$ 323,053</u>			

NINOS, INC. held investment in the form of Certificate of Deposit with maturities of one year. These Investments are considered short term investments. It is included in the above table.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

**NOTE 4 - GRANTS AND OTHER RECEIVABLES**

Grants and other receivables as of March 31, 2024 consist of the following:

Receivables	Amount
U.S. Department of Health and Human Services	\$ 1,113,862
TX Department of Agriculture-Health Nutrition Program	344,702
Total Grants Receivable	1,458,564
Other Accounts Receivable	10,248
Total Receivables	\$ 1,468,812

**NOTE 5 - RETIREMENT PLAN**

NINOS, INC. sponsors an employee retirement plan similar to a profit-sharing plan covering employee who have completed at least six months of service. Participation in the Plan begins on the 1<sup>st</sup> day of the following January, April, July or October with satisfaction of the eligibility requirements. Under the plan, NINOS, INC. may contribute an amount to be determined annually by the board of directors. Limited employee contributions are provided for by the plan. However, with the consent of the Plan Administrator, a participant may rollover amounts from another qualified plan. Employees will be 100% vested as to the employer contributions plus earnings after 5 years of service. "Rollover" contributions are automatically 100% vested. During the year ended March 31, 2024 the board of directors authorized contributions to the plan of 7% of an eligible employee's salary. The total employer contributions for the year ended March 31, 2024 totaled \$1,148,155.

**NOTE 6 - CONTINGENCIES**

NINOS, INC. participants in programs that are sponsored by Federal government grants. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If program expenditures or support claims are disallowed due to noncompliance with grant program regulations, NINOS, INC. may be required to reimburse the grantor. NINOS, INC. believes it has substantially complied with applicable laws and regulations and any subsequent examinations will not have a material effect on any of the individual governmental resources of the overall financial position of NINOS, INC. The future operations of NINOS, INC. are contingent upon continual funding from the U.S. Department of Health and Human Services and the U.S. Department of Agriculture.

**Neighbors in Need of Services, Inc.**  
**Notes to the Consolidated Financial Statements**  
**For Year Ended March 31, 2024**

**NOTE 7 – PROPERTY AND EQUIPMENT**

A summary of property and equipment at March 31, 2024 follows:

	Restated Beginning Balance 4/1/2023	Increases	Decreases	Ending Balance 3/31/2024
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 416,627	\$ -	\$ -	\$ 416,627
<i>Total Capital Assets, Not Being Depreciated</i>	<u>416,627</u>	<u>-</u>	<u>-</u>	<u>416,627</u>
<i>Capital Assets, Being Depreciated:</i>				
Vehicles	1,927,954	71,133		1,999,087
Furniture and Equipment	120,555	67,880	-	188,435
Leasehold Improvements	1,379,782	779,713	-	2,159,495
Buildings	6,111,048	-	-	6,111,048
Right to use Assets	150,469	73,717		224,186
<i>Total Capital Assets, Being Depreciated</i>	<u>9,689,808</u>	<u>992,443</u>	<u>-</u>	<u>10,682,251</u>
<i>Less Accumulated Depreciation For:</i>				
Vehicles	(1,610,952)	(89,214)		(1,700,166)
Furniture and Equipment	(84,654)	(13,297)	-	(97,951)
Leasehold Improvements	(664,245)	(101,407)	-	(765,652)
Buildings	(713,860)	(94,252)	-	(808,112)
Portables	(1,908,566)	-	-	(1,908,566)
Sebastian	(148,715)	(6,760)	-	(155,475)
Right to use Amortization	(70,533)	(77,823)		(148,356)
<i>Total Accumulated Depreciation</i>	<u>(5,201,525)</u>	<u>(382,753)</u>	<u>-</u>	<u>(5,584,278)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>4,488,283</u>	<u>609,690</u>	<u>-</u>	<u>5,097,973</u>
<i>Total Capital Assets</i>	<u>\$ 4,904,910</u>	<u>\$ 609,690</u>	<u>\$ -</u>	<u>\$ 5,514,600</u>

Depreciation expense for the year totaled \$304,930 and the right to use amortization \$77,823.

**NOTE 8 – OPERATING LEASES**

NINOS, INC. leases operating space for all of its centers under operating leases primarily from governmental agencies. The lease agreements are generally from a one to five-year term.

NINOS, Inc. has elected to apply the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing one-year operating leases and to not recognize the asset and liability for these leases.

NINOS, INC., has one long-term non-cancelable operating lease that was originally for five years, it will expire in March of 2025. Total lease payments for the year ended March 31, 2024, were \$78,000 of which \$74,703 was principal and \$3,297 was interest. They do not intend to renew this lease and are planning on purchasing this building.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

**NOTE 8 – OPERATING LEASES (CONTINUED)**

Total minimum lease payment obligations of these leases are as follows:

Year	Principal	Interest
2025	\$ 76,950	\$ 1,050
Total	<u>\$ 76,950</u>	<u>\$ 1,050</u>

**NOTE 9 – NOTES PAYABLE**

NINOS, INC. has notes payable with the USDA. USDA (3) loan was approved for \$2,999,100, 2.75% interest rate with monthly payments of \$10,467 due, May 30, 2057.

	Beginning Balance as of 4/01/2023	Proceeds	Retired	Ending Balance as of 3/31/2024	Due Within One Year
Note Payable - USDA (3)	\$ 2,700,880	\$ -	\$ (56,465)	\$ 2,644,415	\$ 52,103

The Long-Term payments are as follows:

	Principal	Interest	Total
2025	\$ 52,103	\$ 75,473	127,576
2026	51,723	74,022	125,745
2027	53,217	72,528	125,745
2028	54,753	70,992	125,745
2029	56,334	69,411	125,745
2030-2034	307,032	321,693	628,725
2035-2039	370,524	289,637	660,161
2040-2044	408,141	220,584	628,725
2045-2049	470,570	158,155	628,725
2050-2057	820,018	98,971	918,989
	<u>\$2,644,415</u>	<u>\$1,451,466</u>	<u>\$4,095,881</u>

**NOTE 10 – IN-KIND CONTRIBUTIONS**

NINOS, INC. did not receive any In-Kind contributions for the fiscal year ended March 31, 2024. As such, there is no provision in the financial statements.

**NOTE 11 – LITIGATION**

As of March 31, 2024, NINOS, INC. was not involved in any claims or litigation.



**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

As of March 31, 2024, NINOS, INC

To correct prior year leasehold improvements	\$ 401,613
To correct prior year deferred revenue	43,290
To correct prior year accumulated depreciation	<u>1,805</u>
Total Prior Period Adjustment	<u>\$ 446,708</u>

**NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (FASB ASC 825-10) require disclosure of the fair value information about financial instruments, whether or not recognized in the balance sheet. In case where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

In the regard, the derived fair value estimates cannot be sustained by comparison to independent markets and, cases could not be realized in immediate settlement of the instruments. Certain financial instruments and all nonfinancial instruments are excluded from these disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Organization.

The following methods and assumptions were used by NINOS, INC., Inc. in estimating its fair value disclosure for financial instruments:

*Cash and Cash Equivalents:* The carrying amount reported in the balance sheet for cash and cash equivalents is the fair value.

*Time deposits:* Fair values of certificates of deposit are at cost plus accrued interest.

*Accounts Receivable:* The carrying amount approximates fair value because of the short maturity of these instruments.

*Payable and Accruals:* The carrying amounts approximate fair value because of the short maturity period.

**Neighbors in Need of Services, Inc.**  
Notes to the Consolidated Financial Statements  
For Year Ended March 31, 2024

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**NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

<u>Financial Assets:</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 203,053	\$ 203,053
Investment - Certificate of Deposit	120,000	120,000
Grants Receivable	1,458,564	1,458,564
Other Receivables	10,248	10,248
Prepaid Assets	16,733	16,733
Prepaid Insurance	20,073	20,073
Other Assets - Right to Use Asset (Net)	75,830	75,830
 <u>Financial Liabilities:</u>		
Accounts Payable	\$ 610,825	\$ 610,825
Accrued Salaries and Payroll Tax	854,718	854,718
Lease Liability	76,950	76,950

**NOTE 13 – SUBSEQUENT EVENTS**

For the purposes of reporting subsequent events, management has considered events occurring up to December 20, 2024, the date of the report was available to be issued.

## **COMPLIANCE AND INTERNAL CONTROL SECTION**



**Oscar R. Gonzalez CPA  
& Associates PLLC**

Certified Public Accountants

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Oscar R. Gonzalez, CPA  
Melissa Gonzalez, CPA

Associates:

Janet Robles, CPA

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

To the Board of Directors of  
Neighbors in Need of Services, Inc.

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 combined financial statements of Neighbors in Need of Services, Inc. (a nonprofit organization) and subsidiaries, which comprise the statement of financial position as of March 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Neighbors in Need of Services, Inc. and subsidiaries' 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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Neighbors in Need of Services, Inc. and subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Neighbors in Need of Services, Inc. and subsidiaries' 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 combined 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.

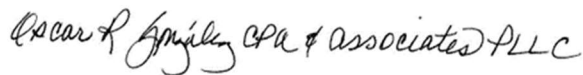
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Neighbors in Need of Services, Inc. and subsidiaries combined 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 combined 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.

A handwritten signature in cursive script that reads "Oscar R. Gonzalez CPA & Associates PLLC".

Oscar R. Gonzalez, CPA & Associates, PLLC  
Certified Public Accountants

Pharr, Texas  
December 20, 2024

## **FEDERAL AWARDS SECTION**



**Oscar R. Gonzalez CPA  
& Associates PLLC**

Certified Public Accountants  
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Melissa Gonzalez, CPA

Associates:  
Janet Robles, CPA

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 of  
Neighbors in Need of Services, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' major federal programs for the year ended March 31, 2024. Neighbors in Need of Services, Inc. and subsidiaries' federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Neighbors in Need of Services, Inc. and subsidiaries 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 March 31, 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Neighbors in Need of Services, Inc. and subsidiaries' 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 Neighbors in Need of Services, Inc. and subsidiaries' 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**

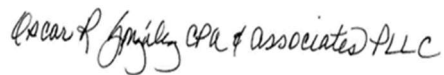
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

A handwritten signature in cursive script that reads "Oscar R. Gonzalez CPA & Associates PLLC".

Oscar R. Gonzalez, CPA & Associates, PLLC  
Certified Public Accountants

Pharr, Texas  
December 20, 2024

**Neighbors in Need of Services, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended March 31, 2024**

**A. Summary of Auditor's Results**

1. Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>			
Internal control over financial reporting:				
One or more material weaknesses identified?	_____	YES	_____ <u>X</u> _____	NO
One or more significant deficiencies identified that are not considered to be material weaknesses?	_____	YES	_____ <u>X</u> _____	None Reported
Non-compliance material to financial statements noted?	_____	YES	_____ <u>X</u> _____	NO

2. Federal Awards

Internal control over major programs:				
One or more material weaknesses identified?	_____	YES	_____ <u>X</u> _____	NO
One or more significant deficiencies identified that are not considered to be material weaknesses?	_____	YES	_____ <u>X</u> _____	None Reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)	_____	YES	_____ <u>X</u> _____	NO
Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>			
Auditee qualified as a low-risk auditee?	_____ <u>X</u> _____	YES	_____ _____	NO
Identification of major programs:				
<u>CFDA Numbers</u>	93.600	<u>Name of Federal Program or Cluster</u>	Head Start/ Early Head Start	

**B. Financial Statement Findings**

None

**C. Federal Award Findings**

None

**Neighbors in Need of Services, Inc.**  
Schedule of Expenditures of Federal Awards  
For the Year Ended March 31, 2024

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Sub-Recipient
<i><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></i>				
Head Start Program and Early Head Start	93.600	06CH01162004	\$ 26,763,327	\$ -
Total Direct Program			<u>26,763,327</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>26,763,327</u>	<u>-</u>
<i><u>U.S. DEPARTMENT OF AGRICULTURE</u></i>				
Passed Through Texas Department of Agriculture (TDA)				
Child and Adult Care Food Program	10.558	16166TX332N1099	1,767,882	-
Total U.S. Department of Agriculture			<u>1,767,882</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 28,531,209</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this schedule.

**Neighbors in Need of Services, Inc.**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended March, 31, 2024

**1. General** – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of NINOS, Inc. (a nonprofit organization).

**2. Basis of Accounting** – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the financial statements. All the information presented in the schedule has been prepared 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)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement.

**3. Relationship to Federal Financial Reports Basis of Accounting** – Amount reported in the accompanying schedule may not agree with the amounts reported in the related Federal financial reports filed with the grantor agencies because of accruals made in the schedule, which will be included in the future report filed with the agencies.

**4. Program Income** – As of March 31, 2024, NINOS, Inc. reports \$0 in program income based on the requirements presented in 45 CFR 75.307.

**5. Indirect Cost Rate** – NINOS, Inc. has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.