

**THREE SQUARE  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2025**

**HRC**

**THREE SQUARE  
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Three Square  
Las Vegas, Nevada

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

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

We have audited Three Square and Subsidiary’s (collectively, Three Square) 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 Three Square’s major federal programs for the year ended June 30, 2025. Three Square’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, Three Square complied, in all material respects, with the 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, 2025.

***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 Three Square 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 the major federal programs. Our audit does not provide a legal determination of Three Square’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 Three Square’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 Three Square'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 Three Square'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 Three Square'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 Three Square'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 Three Square'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 that 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.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have also audited the consolidated financial statements (financial statements) of Three Square as of and for the year ended June 30, 2025, and have issued our report thereon dated November 7, 2025 which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Houldsworth, Russo & Company, P.C.*

Las Vegas, Nevada  
February 2, 2026

**THREE SQUARE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<u>Grantor and Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through the Nevada Department of Agriculture:				
Child Nutrition Cluster				
Summer Food Service Program	10.559	TUFHHFJ2P79	\$ 839,251	\$ -
Total Child Nutrition Cluster			839,251	-
Child and Adult Care Food Program	10.558	TUFHHFJ2P79	1,180,295	-
Food Distribution Cluster				
The Emergency Food Assistance Program - Administrative Costs	10.568	TUFHHFJ2P79	708,702	-
The Emergency Food Assistance Program - Conversion Funds	10.568	TUFHHFJ2P79	100,000	-
The Emergency Food Assistance Program - Food Commodities	10.569	TUFHHFJ2P79	23,080,243	23,080,243
Total Food Distribution Cluster			23,888,945	23,080,243
The Emergency Food Assistance Program Commodity Credit Corporation Eligible Recipient Funds	10.187	TUFHHFJ2P79	217,481	-
Passed through the Nevada Department of Health and Human Services:				
SNAP Cluster				
Supplemental Nutrition Assistance Program - Outreach	10.561	OUT2411/OUT2511	427,820	-
Supplemental Nutrition Assistance Program - Education	10.561	ED2502	72,919	-
Total SNAP Cluster			500,739	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			26,626,711	23,080,243
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through the Nevada Department of Health and Human Services:				
Aging Cluster				
Aging & Disability Services - Congregate Meals	93.045	03-110-07-1X-25	45,774	-
Aging & Disability Services - Nutrition Services Incentive Program	93.053	03-110-57-NX-25	4,096	-
Total Aging Cluster			49,870	-
Low-Income Home Energy Assistance Program	93.568	21872	330	-
Passed through the Southern Nevada Health District:				
Racial and Ethnic Approaches to Community Health (REACH)	93.304	C2500051	35,383	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			85,583	-
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Passed through the Nevada Department of Health and Human Services:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	ARPA-NCFA22-05	21,376	-
Passed Through the City of North Las Vegas, Nevada:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	SLT-1086	20,353	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			41,729	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Clark County, Nevada:				
Emergency Food and Shelter National Board Program	97.024	N/A	20,528	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			20,528	-
TOTAL FEDERAL EXPENDITURES			\$ 26,774,551	\$ 23,080,243

See notes to schedule of expenditures of federal awards

**THREE SQUARE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of Three Square under programs of the federal government for the year ended June 30, 2025. 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* and Title 45 U.S. Code of Federal Regulations Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards* (Uniform Guidance). Because this schedule only presents a selected portion of the operations of Three Square, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of Three Square.

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

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

**THREE SQUARE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of Three Square.
2. No instances of material weaknesses or significant deficiencies related to the audit of the financial statements, which would be 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 Three Square, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

4. No instances of 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 Report on Internal Control Over Compliance Required by the Uniform Guidance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditor's report on compliance for Three Square 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 programs tested as major programs were the U.S. Department of Agriculture Food Distribution Cluster, the U.S. Department of Agriculture Child Nutrition Cluster, and the U.S. Department of Agriculture Child and Adult Care Food Program, Assistance Listing Number 10.558.
8. The threshold used for distinguishing between Type A and Type B programs was \$803,237.
9. Three Square qualifies as a low-risk auditee.

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**THREE SQUARE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

**PRIOR AUDIT FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**PRIOR AUDIT FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None