

FINANCIAL STATEMENTS AND AUDITORS' REPORT

HOMELESS EMERGENCY PROJECT, INC.
D/B/A HOMELESS EMPOWERMENT PROGRAM

December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

Report on the Financial Statements

Opinion

We have audited the financial statements of Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program ("HEP") as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HEP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 HEP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 HEP'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 HEP'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

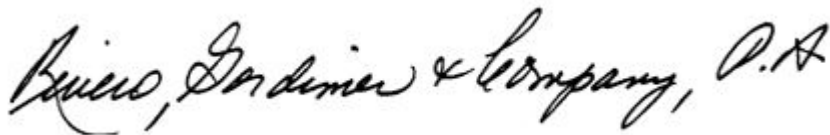
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025 on our consideration of HEP'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 the 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 HEP's internal control over financial reporting and compliance.

Tampa, Florida
May 23, 2025

A handwritten signature in black ink that reads "Bueco, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF FINANCIAL POSITION

December 31, 2024
(with summarized comparative totals for December 31, 2023)

ASSETS	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	
Current assets				
Cash and cash equivalents	\$ 1,196,157	\$ 535,713	\$ 1,731,870	\$ 2,347,612
Grants receivable	409,351	-	409,351	272,672
Accounts receivable - other	74,746	-	74,746	196,843
Unconditional promises to give	39,249	-	39,249	68,675
Prepaid expenses	148,423	-	148,423	148,142
Investments	4,316,619	1,264,807	5,581,426	4,150,907
Other assets	62,694	-	62,694	35,938
Total current assets	6,247,239	1,800,520	8,047,759	7,220,789
Noncurrent assets				
Property and equipment, net	10,190,721	-	10,190,721	9,670,873
Investments	6,527,133	350,493	6,877,626	6,451,952
Beneficial interest in trusts	-	923,994	923,994	949,847
Total noncurrent assets	16,717,854	1,274,487	17,992,341	17,072,672
TOTAL ASSETS	\$ 22,965,093	\$ 3,075,007	\$ 26,040,100	\$ 24,293,461
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 112,378	\$ -	\$ 112,378	\$ 74,982
Accrued payroll	33,908	-	33,908	139,810
Security deposits	890	-	890	890
Deferred revenue	-	-	-	2,500
Mortgages payable, current portion	29,617	-	29,617	8,886
Total current liabilities	176,793	-	176,793	227,068
Mortgages payable, net of mortgage costs	3,576,981	-	3,576,981	3,597,185
Total liabilities	3,753,774	-	3,753,774	3,824,253
Net assets				
Without donor restrictions	12,684,186	-	12,684,186	12,457,521
Without donor restrictions - board designated	6,527,133	-	6,527,133	6,136,125
With donor restrictions	-	3,075,007	3,075,007	1,875,562
Total net assets	19,211,319	3,075,007	22,286,326	20,469,208
TOTAL LIABILITIES AND NET ASSETS	\$ 22,965,093	\$ 3,075,007	\$ 26,040,100	\$ 24,293,461

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Current assets			
Cash and cash equivalents	\$ 1,737,724	\$ 609,888	\$ 2,347,612
Grants receivable	272,672	-	272,672
Accounts receivable - other	196,843	-	196,843
Unconditional promises to give	68,675	-	68,675
Prepaid expenses	148,142	-	148,142
Investments	4,150,907	-	4,150,907
Other assets	35,938	-	35,938
Total current assets	<u>6,610,901</u>	<u>609,888</u>	<u>7,220,789</u>
Noncurrent assets			
Property and equipment, net	9,670,873	-	9,670,873
Investments	6,136,125	315,827	6,451,952
Beneficial interest in trusts	-	949,847	949,847
Total noncurrent assets	<u>15,806,998</u>	<u>1,265,674</u>	<u>17,072,672</u>
TOTAL ASSETS	<u>\$ 22,417,899</u>	<u>\$ 1,875,562</u>	<u>\$ 24,293,461</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	\$ 74,982	\$ -	\$ 74,982
Accrued payroll	139,810	-	139,810
Security deposits	890	-	890
Deferred revenue	2,500	-	2,500
Mortgages payable, current portion	8,886	-	8,886
Total current liabilities	<u>227,068</u>	<u>-</u>	<u>227,068</u>
Mortgages payable, net of mortgage costs	<u>3,597,185</u>	<u>-</u>	<u>3,597,185</u>
Total liabilities	<u>3,824,253</u>	<u>-</u>	<u>3,824,253</u>
Net assets			
Without donor restrictions	12,457,521	-	12,457,521
Without donor restrictions - board designated	6,136,125	-	6,136,125
With donor restrictions	-	1,875,562	1,875,562
Total net assets	<u>18,593,646</u>	<u>1,875,562</u>	<u>20,469,208</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,417,899</u>	<u>\$ 1,875,562</u>	<u>\$ 24,293,461</u>

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2024

	Year Ended December 31, 2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and revenues				
Contributions	\$ 1,025,441	\$ 1,885,668	\$ 2,911,109	\$ 2,636,755
Estates and trusts	-	-	-	550,329
Special events revenue, net	117,894	-	117,894	94,561
In-kind contributions	1,850,911	-	1,850,911	2,066,655
Grants	4,277,990	-	4,277,990	3,937,469
Client fees	300,715	-	300,715	307,513
Thrift store sales	585,195	-	585,195	576,680
Other	50,045	-	50,045	85,844
Change in value of beneficial interest in trusts	-	52,730	52,730	72,242
Net assets released from restrictions	773,619	(773,619)	-	-
Total public support and revenue	<u>8,981,810</u>	<u>1,164,779</u>	<u>10,146,589</u>	<u>10,328,048</u>
Expenses				
Program services	7,736,089	-	7,736,089	7,351,880
Management and general	903,936	-	903,936	763,045
Fundraising	820,758	-	820,758	736,816
Total expenses	<u>9,460,783</u>	<u>-</u>	<u>9,460,783</u>	<u>8,851,741</u>
Change in net assets before investment return	(478,973)	1,164,779	685,806	1,476,307
Investment return, net	1,096,646	34,666	1,131,312	1,218,874
Changes in net assets	<u>617,673</u>	<u>1,199,445</u>	<u>1,817,118</u>	<u>2,695,181</u>
Net assets at beginning of year	<u>18,593,646</u>	<u>1,875,562</u>	<u>20,469,208</u>	<u>17,774,027</u>
Net assets at end of year	<u>\$ 19,211,319</u>	<u>\$ 3,075,007</u>	<u>\$ 22,286,326</u>	<u>\$ 20,469,208</u>

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues			
Contributions	\$ 1,766,992	\$ 869,763	\$ 2,636,755
Estates and trusts	550,329	-	550,329
Special events revenue, net	94,561	-	94,561
In-kind contributions	2,066,655	-	2,066,655
Grants	3,937,469	-	3,937,469
Client fees	307,513	-	307,513
Thrift store sales	576,680	-	576,680
Other	85,844	-	85,844
Change in value of beneficial interest in trusts	-	72,242	72,242
Net assets released from restrictions	853,175	(853,175)	-
Total public support and revenue	10,239,218	88,830	10,328,048
Expenses			
Program services	7,351,880	-	7,351,880
Management and general	763,045	-	763,045
Fundraising	736,816	-	736,816
Total expenses	8,851,741	-	8,851,741
Change in net assets before investment return	1,387,477	88,830	1,476,307
Investment return, net	1,173,074	45,800	1,218,874
Changes in net assets	2,560,551	134,630	2,695,181
Net assets at beginning of year	16,033,095	1,740,932	17,774,027
Net assets at end of year	\$ 18,593,646	\$ 1,875,562	\$ 20,469,208

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2024
(with summarized comparative totals for the year ended December 31, 2023)

	Program Services										Total	
	Housing Programs					Support Services	Thrift Store	Total Program Services	Management and General	Development (Fundraising)		
	Outreach	Emergency Shelter	Transitional	Permanent Housing	Total Housing Programs					2024	2023	
Salaries, and related expenses												
Salaries	\$ 117,406	\$ 1,013,451	\$ 371,858	\$ 225,631	\$ 1,728,346	\$ 587,097	\$ 355,465	\$ 2,670,908	\$ 568,321	\$ 525,566	\$ 3,764,795	\$ 3,297,325
Payroll taxes and benefits	23,476	170,147	62,936	36,219	292,778	123,214	73,341	489,333	104,518	88,301	682,152	632,420
Personnel expenses	2,581	14,511	5,369	2,697	25,158	10,733	4,694	40,585	14,771	5,253	60,609	44,382
Total salaries and net expenses	143,463	1,198,109	440,163	264,547	2,046,282	721,044	433,500	3,200,826	687,610	619,120	4,507,556	3,974,127
Client services	8,185	184,178	164,360	69,050	425,773	259,013	5,335	690,121	-	8,824	698,945	545,935
Dental and wellness clinic	40,174	250,370	112,466	143,787	546,797	16,140	-	562,937	-	-	562,937	476,921
Marketing	142	142	142	142	568	1,486	2,096	4,150	731	55,210	60,091	73,855
Food	23,212	201,072	82,555	112,046	418,885	10,817	571	430,273	852	417	431,542	506,219
In-kind lease space	28,923	232,550	104,284	141,340	507,097	-	-	507,097	-	-	507,097	485,377
In-kind services	18,773	150,943	67,688	91,741	329,145	-	-	329,145	-	-	329,145	672,653
Insurance	5,438	48,721	39,378	86,202	179,739	44,738	13,994	238,471	6,961	6,164	251,596	201,900
Interest	-	-	-	527	527	-	-	527	-	-	527	527
Learning center activities	170	170	170	170	680	1,321	-	2,001	-	-	2,001	609
Office expenses and supplies	1,897	14,404	5,520	17,069	38,890	19,843	18,646	77,379	27,935	52,403	157,717	119,035
Other expenses	-	-	-	-	-	-	-	-	1,714	-	1,714	17,842
Professional fees	2,521	12,111	7,669	2,459	24,760	12,171	5,741	42,672	8,677	30,873	82,222	101,752
Repairs and maintenance	18,509	187,357	36,661	99,651	342,178	43,262	21,797	407,237	9,142	8,484	424,863	286,525
Technology	2,517	19,555	8,108	3,652	33,832	14,527	5,839	54,198	5,280	33,694	93,172	104,641
Telephone	831	6,701	3,015	1,658	12,205	5,439	1,525	19,169	2,920	2,164	24,253	25,638
Utilities	17,103	93,166	65,082	162,854	338,205	46,022	30,691	414,918	2,654	2,022	419,594	441,763
Transportation expense	3,448	12,320	1,001	8,208	24,977	56,808	15,628	97,413	486	899	98,798	99,212
Depreciation	16,490	62,132	57,075	389,315	525,012	111,920	20,623	657,555	148,974	484	807,013	717,210
	\$ 331,796	\$ 2,674,001	\$ 1,195,337	\$ 1,594,418	\$ 5,795,552	\$ 1,364,551	\$ 575,986	\$ 7,736,089	\$ 903,936	\$ 820,758	\$ 9,460,783	\$ 8,851,741

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023

	Program Services										Total
	Housing Programs					Support Services	Thrift Store	Total Program Services	Management and General	Development (Fundraising)	
	Outreach	Emergency Shelter	Transitional	Permanent Housing	Total Housing Programs						
Salaries, and related expenses											
Salaries	\$ 111,507	\$ 743,296	\$ 404,913	\$ 257,235	\$ 1,516,951	\$ 483,020	\$ 343,036	\$ 2,343,007	\$ 491,170	\$ 463,148	\$ 3,297,325
Payroll taxes and benefits	24,863	144,660	73,169	52,257	294,949	96,266	73,749	464,964	89,543	77,913	632,420
Personnel expenses	1,217	8,832	5,261	3,524	18,834	8,012	4,045	30,891	8,675	4,816	44,382
Total salaries and net expenses	137,587	896,788	483,343	313,016	1,830,734	587,298	420,830	2,838,862	589,388	545,877	3,974,127
Client services	16,292	87,012	142,478	53,075	298,857	229,130	5,037	533,024	4,274	8,637	545,935
Dental and wellness clinic	33,263	159,941	110,760	156,123	460,087	16,834	-	476,921	-	-	476,921
Marketing	355	534	355	355	1,599	5,201	2,003	8,803	100	64,952	73,855
Food	32,512	183,165	119,780	166,058	501,515	3,175	204	504,894	1,001	324	506,219
In-kind lease space	32,342	167,673	119,222	166,140	485,377	-	-	485,377	-	-	485,377
In-kind services	44,820	232,366	165,223	230,244	672,653	-	-	672,653	-	-	672,653
Insurance	5,009	33,074	31,765	74,733	144,581	33,234	11,544	189,359	6,532	6,009	201,900
Interest	-	-	-	527	527	-	-	527	-	-	527
Learning center activities	23	23	23	23	92	517	-	609	-	-	609
Office expenses and supplies	2,151	9,901	6,267	5,002	23,321	24,733	16,672	64,726	12,553	41,756	119,035
Other expenses	-	-	-	-	-	-	-	-	-	17,842	17,842
Professional fees	2,674	10,538	7,791	29,346	50,349	13,006	6,477	69,832	28,096	3,824	101,752
Repairs and maintenance	10,446	71,120	40,919	127,155	249,640	7,160	17,417	274,217	6,865	5,443	286,525
Technology	3,769	15,212	11,364	7,128	37,473	19,646	7,606	64,725	5,964	33,952	104,641
Telephone	666	4,080	3,220	3,409	11,375	6,228	1,385	18,988	4,112	2,538	25,638
Utilities	21,985	100,598	70,023	171,795	364,401	39,100	33,213	436,714	2,476	2,573	441,763
Transportation expense	6,937	20,256	6,835	13,107	47,135	34,574	14,812	96,521	89	2,602	99,212
Depreciation	21,112	62,399	58,021	383,486	525,018	69,496	20,614	615,128	101,595	487	717,210
	\$ 371,943	\$ 2,054,680	\$ 1,377,389	\$ 1,900,722	\$ 5,704,734	\$ 1,089,332	\$ 557,814	\$ 7,351,880	\$ 763,045	\$ 736,816	\$ 8,851,741

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 1,817,118	\$ 2,695,181
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	807,013	717,210
Amortization of mortgage costs	527	527
Net unrealized and realized gain on investments	(552,411)	(908,451)
Donated investments	(20,447)	(1,182,237)
Donated equipment	(128,000)	-
Distributions from beneficial interest in trusts	78,583	56,632
Change in value of beneficial interest in trust assets	(52,730)	(72,242)
Distributions from estate receivables	-	373,529
Change in value of estate receivables	-	(8,000)
Decrease (increase) in:		
Grants receivable	(136,679)	148,519
Unconditional promises to give	29,426	(21,417)
Estate receivable	-	(92,329)
Accounts receivable - other	122,097	44,226
Prepaid expenses	(281)	(36,610)
Other assets	(26,756)	(25,667)
Increase (decrease) in:		
Accounts payable and accrued liabilities	37,396	(30,170)
Accrued payroll	(105,902)	9,292
Deferred revenue	(2,500)	2,500
Net cash provided by operating activities	<u>1,866,454</u>	<u>1,670,493</u>
Cash flows from investing activities		
Purchases of investments	(2,060,852)	(2,753,791)
Proceeds from sale of investments	777,517	2,265,435
Purchases of property and equipment	(1,198,861)	(1,604,579)
Net cash used by investing activities	<u>(2,482,196)</u>	<u>(2,092,935)</u>
Net change in cash, cash equivalents and restricted cash	(615,742)	(422,442)
Cash, cash equivalents and restricted cash		
At beginning of year	<u>2,347,612</u>	<u>2,770,054</u>
At end of year	<u>\$ 1,731,870</u>	<u>\$ 2,347,612</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A description of Homeless Emergency Project, Inc. and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of HEP

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program (“HEP”) is a nonprofit organization founded in 1986 whose mission is to provide homeless and low-income individuals and families with housing, food, clothing and support services necessary to obtain self-sufficiency and improved quality of life. Funds used for operations are received from federal, state, local and private sources.

HEP provides emergency, transitional and permanent housing for men, women, children and veterans, including those with mental illnesses. HEP offers a full continuum of shelter care for the entire homeless population and, with its community partners, provides residents access to a wide range of support services.

- Housing Programs: Services provide for outreach, emergency, transitional and permanent housing needs, clothing, food, personal care, life skills, case management and transportation costs of the residents.
- Benefits Coordinator: The HEP Benefits Coordinator assists residents in acquiring needed documents and services on their path to self-sufficiency (i.e. VA benefits, health care insurance, social security, etc.)
- Community Garden: HEP’s community garden not only provides fresh, organically grown produce to help our dining hall be self-sustaining; it also provides a learning opportunity, a therapeutic outlet for residents to remain physically active and keeps them productively engaged in the community.
- Community Housing Assistance Program: This program is available to assist eligible applicants avoid potential homelessness by eliminating rental payments in arrears, providing one-on-one housing counseling to ensure stability of their new housing situation by providing move in costs in instances of homelessness.
- Counseling: Services include substance abuse care and alcohol treatment, recovery services, vocational and employment training, mental health therapy (individual, group and families) and public benefits access.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

- *Dental and Wellness Clinic:* The Dental and Wellness Clinic provides free, quality and comprehensive dental and wellness services to uninsured/underinsured homeless and at-risk individuals residing at HEP and our community partners, regardless of their ability to pay. Services include a full range of dental care and chronic pain and disease self-management workshops, healthcare navigation, nutritional counseling, onsite psychiatric nurse practitioner and canine assisted therapy services provided by HEP staff and volunteer professionals.
- *Food and Nutrition:* Onsite kitchen and dining hall provides three meals a day, seven days a week. A contracted licensed nutritionist provides one-on-one consultation to residents to support healthy eating habits and meal planning.
- *Medical Care:* The Morton Plant Outreach program is provided onsite through a partnership with an outreach team from Morton Plant Hospital and BayCare Health Systems. The services include medical assessments, laboratory services and treatments for nonemergency illnesses or injuries, offered by an onsite staff of licensed practical nurses, nurse practitioners and case managers.
- *Transportation:* Services include individual transports for guests in company (Florida Department of Transportation) vehicles to and from doctors' appointments or other health related appointments, a VA shuttle to and from Bay Pines VA, and a recreational van used to transport veterans to activities in the community.
- *Veteran's Clubhouse:* The Veteran's Clubhouse provides a place of camaraderie where veterans from all generations can gather together for support. The Clubhouse also employs HEP activity coordinators who organize group outings and volunteer opportunities for our veteran population so they can once again become active participants in the community as civilians.
- *Workforce Development:* HEP's Workforce Development Program provides employment services addressing the issues of unemployment, underemployment and financial stability among homeless and at-risk individuals and families. HEP residents as well as the general public, have access to all supportive services offered in HEP's North Greenwood Adult Education and Workforce Development Center.
- *Thrift Store:* Onsite thrift store provides clients with job training, clothes and household items. All store proceeds are invested into the operations of the HEP.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

A summary of HEP's significant accounting policies follows:

2. Basis of Accounting

A nonprofit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of HEP and changes therein are classified and reported as follows:

- Net Assets without Donor Restrictions
Contributions and other inflow of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (Board). Net assets without donor restrictions include expendable funds available to support operations, as well as net assets invested in property and equipment.
- Net Assets with Donor Restrictions
Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of HEP or the passage of time or are permanently maintained by HEP. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restriction.

3. Use of Estimates

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

4. Cash and Cash Equivalents

HEP considers all highly liquid investments with maturities of three months or less to be cash and cash equivalents. For the purpose of the statements of cash flows, HEP considers all highly liquid investments designated for long-term purposes to be investments, not cash equivalents.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Concentration of Credit Risk

HEP maintains its cash in demand deposit accounts at several financial institutions which, at times, may exceed federally insured limits. HEP has not experienced any losses in such accounts. HEP believes it is not exposed to any significant credit risk in regard to cash and cash equivalents.

6. Grants Receivable

HEP records a receivable and grant income at the time grant funds are due from the grantor. Management estimates the allowance for uncollectible grants based on a review of the individual grant receivables outstanding as of the end of the year. As of December 31, 2024, and 2023, HEP considers all grants receivable to be fully collectible.

7. Investments and Endowments

Investments are carried at fair value. The fair value of publicly traded securities are based on quoted market prices established by the major security markets. Investment securities in general are exposed to various risks, such as interest rate, credit and overall market volatility.

Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near-term, and that such change could materially affect the amounts reported in the statements of financial position and activities and changes in net assets.

Purchases and sales of securities are recorded on trade dates. Investment income and realized and unrealized gains or losses are reflected in the statements of activities and changes in net assets within investment return, net. Donated investments are recorded at fair value at the time of receipt.

Net investment return from investments without donor restrictions are reported as revenue without donor restrictions. Net investment return for investments of net assets held in perpetuity are reported as increases in net assets with donor restrictions.

8. Unconditional Promises to Give

Unconditional promises to give are recorded in the year the promise is made. Conditional promises to give, that is those with both a measurable performance or other barrier and a right of return or release, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

The carrying amount of unconditional promises to give is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected based on historical experience and an assessment of individual balances. Certain accounts are written off under the direct write-off method; other accounts are part of the reserve for doubtful accounts established based on management's review of individual donors. As of December 31, 2024, and 2023, HEP considers all unconditional promises to give to be fully collectible.

9. Estate Receivables

HEP has been named as a beneficiary of future distributions from various estates. These estates are recorded at fair value upon HEP's interest becoming irrevocable and measurable.

10. Property and Equipment

Property and equipment are carried at amortized cost. Donated property and equipment are recorded at fair value at the date of receipt. Assets with costs greater than \$5,000 and estimated useful lives greater than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the asset, which can range as follows:

	Years
Buildings	20-30
Improvements	10-30
Furniture, fixtures and equipment	3-10

Expenditure for renewals and improvements that significantly add to the productive capacity or extend useful lives of property and equipment are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included within the statements of activities and changes in net assets.

Property acquired with governmental funds is considered to be owned by HEP while used in the program for which it was purchased or in other future authorized programs; however, its disposition and ownership of any proceeds are subject to applicable regulations.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. Construction in progress is not depreciated until put into service.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

HEP evaluates the various types of financial assets and liabilities to determine the expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

11. Impairment of Long-lived Assets

HEP evaluates the recoverability of its buildings, improvements and furniture, fixtures and equipment whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated.

If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at December 31, 2024 and 2023.

12. Beneficial Interest in Trusts

HEP has been named as an irrevocable beneficiary of a perpetual trust and charitable remainder unitrust held and administered by independent trustees. A perpetual trust provides for the distribution of the net income of the trusts to HEP; however, HEP will never receive the assets of the trust. A charitable remainder unitrust provides for specified distributions of trust assets, including net income, over the trust term. At the date HEP received a notice of a beneficial interest, a contribution with donor restrictions was recorded in the statements of activities and changes in net assets, and a beneficial interest was recorded in the statements of financial position at the fair value of the underlying trust assets. Changes in the fair value of the trust assets are recorded as an increase or decrease in net assets with donor restrictions on the statements of activities and changes in net assets.

13. Mortgage Costs

Mortgage costs represent costs incurred to obtain financing are presented as a reduction of mortgages payable on the accompanying statements of financial position. These costs are being amortized over a straight-line basis, which approximates the effective interest method over the life of the related loan and are recorded within interest expense in the statements of functional expenses.

14. Advertising Expense

HEP expenses advertising costs as incurred.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

15. Revenue Recognition

HEP recognizes revenue from contracts with customers utilizing a five-step model as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

HEP's revenue from contracts with customers consists of thrift store sales. HEP's contracts have a single performance obligation. The transaction price is the amount of consideration to which HEP expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on transaction price, which is a fixed consideration. HEP does offer some discounts, which would be variable consideration, but these discounts are insignificant.

HEP recognizes revenue at a point in time when control of HEP's goods is passed to the customer, which typically occurs at point of sale, and is when customer payment is collected.

16. Client Fees

Client fees are made up of rental income as earned, based on agreed rates for services provided.

17. Contributions

Unconditional contributions are initially recognized at fair value in the period the promises are received. Conditional contributions, that is, those with both a measurable performance or other barrier and a right of return or releases, or intentions to give, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on are substantially met. In the absences of donor stipulations, unconditional contributions are reported as revenue without donor restrictions. Amounts received that are restricted by the donor for specific purposes are reported as revenue with donor restrictions. HEP has adopted the accounting policy of not implying a time restriction on long-lived asset donations when the donor does not stipulate how long the asset must be used. HEP reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

18. In-kind Contributions

HEP's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of HEP. If an asset is provided that does not allow HEP to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Contributed use of facilities is recorded as support at its estimated fair rental value during the period of use. Other tangible donations, such as food and other client goods, are recorded as support at their estimated fair value during the period of use. Fair value of food and client goods is determined based on a fixed value per pound or other methods specified by the donor. Contributed services that require specialized skills (attorneys, doctors, etc.) are recorded in the statements of activities and changes in net assets as support at their estimated fair value.

HEP receives contributions of goods and materials (inventory) and processes these contributions as merchandise available for sale in its retail thrift store. Management of HEP believes that the inventory of contributed goods and materials does not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine inventory value at the time of donation. It is only through the value-added processes that prepare the donated inventory for sale that donated inventory has value. Accordingly, contributed goods and materials are not valued prior to being offered for sale. There is no contribution revenue recorded in the accompanying financial statements for the years ending December 31, 2024 and 2023, associated with this inventory.

All gifts-in-kind received by HEP for the years ended December 31, 2024 and 2023 were considered without donor restrictions and able to be used by HEP as determined by the board of directors and management

19. Grant Revenue

Support and revenue related to government and other private grants is recognized when funds are utilized by HEP to carry out the activity stipulated by the grant or contract since such contracts can be terminated by the grantor, or refunding can be required under certain circumstances coupled with other performance and/or control barriers. For this reason, HEP's agreements are considered conditional and so referred to as "conditional grants."

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

20. Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and changes in net assets and detailed in the statements of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or service according to their natural classification. Certain other costs have been allocated among the programs and supporting services benefited. Salaries, payroll taxes and benefits, personnel expenses, client services, Dental and Wellness Clinic, marketing, food, in-kind services, insurance, office expense and supplies, professional fees, repairs and maintenance, technology, telephone, utilities and transportation expense may contain allocations based on time and effort, as well as direct charges. Management and general expenses that are not directly allocable are allocated based on their estimated time and effort in each program or supporting service.

21. Income Taxes

HEP is recognized by the Internal Revenue Service (IRS) as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of HEP's tax-exempt purpose is exempt from federal and state income taxes. As such, no provision for income tax expense has been made in the accompanying financial statements.

HEP has adopted the accounting standard on accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give risk to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements. Generally, HEP is no longer subject to U.S. federal or state income tax examinations by tax authorities for the years before December 31, 2021.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE B - AVAILABLE RESOURCES AND LIQUIDITY

HEP regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures, such as operating expenses or capital projects, HEP considers all expenditures related to its ongoing activities. The financial assets and liquidity resources available within one year for general expenditure comprise the following as of December 31,;

	2024	2023
Financial assets at year-end		
Cash and cash equivalents	\$ 1,731,870	\$ 2,347,612
Grants receivable	409,351	272,672
Accounts receivable - other	74,746	196,843
Unconditional promises to give	39,249	68,675
Investments	12,459,052	10,602,859
Beneficial interests in trusts	923,994	949,847
Total financial assets	<u>15,638,262</u>	<u>14,438,508</u>
Less amounts not available to be used within one year		
Net assets with donor restrictions	3,075,007	1,875,562
Board designated endowment	<u>6,527,133</u>	<u>6,136,125</u>
	<u>9,602,140</u>	<u>8,011,687</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 6,036,122</u>	<u>\$6,426,821</u>

As part of HEP's liquidity management plan, HEP invests cash in excess of daily requirements in certificates of deposits and money market funds. HEP's cash position is monitored by executive management to ensure sufficient funds are available to meet daily requirements. Daily requirements are based on the budget, contracts, payroll and invoice schedules.

Additionally, not included as available are HEP's board designated endowment totaling \$6,527,133 and \$6,136,125 as of December 31, 2024 and 2023, respectively, and its two lines of credit with available balances totaling \$1.9 million. The board designated endowment fund was established by the Board to benefit HEP by providing regular, predictable operating income that will help fill gaps caused by increasing costs, demands and the possibility of diminishing government support. Although HEP does not intend to spend from this internally designated fund other than amounts appropriated for general expenditure as a part of its annual budget approval and appropriation process or draw from its lines of credit, amounts could be made available if necessary to provide support for HEP's program and facilities.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE C - UNCONDITIONAL PROMISES TO GIVE AND ESTATE RECEIVABLES

Unconditional promises to give and estate receivables at December 31, 2024 and 2023, are expected to be collected as follows:

	2024	2023
Less than one year	\$ 39,249	\$ 68,675

NOTE D - INVESTMENTS

Investments are summarized as follows at December 31,;

	2024	2023
Money market funds	\$ 1,346,284	\$ 321,272
Fixed income securities - investment grade	3,159,495	2,914,217
Fixed income securities - developed bonds	50,152	-
Equities - domestic	6,745,166	6,235,297
Equities - international	536,947	530,233
Equities - emerging markets	166,641	163,550
Private equity	172,470	170,913
REIT	156,097	160,677
Commodities	125,800	106,700
	<u>\$ 12,459,052</u>	<u>\$ 10,602,859</u>

Certain investments are pledged as collateral for the mortgage payable.

NOTE E - FAIR VALUE MEASUREMENT

HEP defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. HEP measures investments at fair value on a recurring basis.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE E - FAIR VALUE MEASUREMENT - Continued

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset or liability for each level:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets that are accessible by HEP.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on HEP's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

HEP evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. HEP employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While HEP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended December 31, 2024 and 2023, there were no changes to HEP's valuation techniques that had, or are expected to have, a material impact on its statements of financial position or activities and change in net assets.

The assets held in trust and the estate receivables are managed by an independent third-party trustee, and HEP has no authority over investment decisions. Thus, the trust assets are classified as Level 3 within the fair value hierarchy level. There were no transfers into and out of Level 3 investments and no purchase or issues of Level 3 investments for the years ended December 31, 2024 and 2023.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE E - FAIR VALUE MEASUREMENT - Continued

The following table summarizes major categories of HEP's assets measured at fair value on a recurring basis at December 31,;

	2024			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	\$ 1,346,284	\$ 1,346,284	\$ -	\$ -
Fixed income securities - investment grade	3,159,495	-	3,159,495	-
Equities - domestic	6,745,166	6,745,166	-	-
Equities - international	536,947	536,947	-	-
Equities - emerging markets	166,641	166,641	-	-
Private equity	172,470	172,470	-	-
REIT	156,097	156,097	-	-
Commodities	125,800	-	125,800	-
Total investments	12,459,052	9,123,605	3,335,447	-
Beneficial interest in trusts	923,994	-	-	923,994
Total assets at fair value	<u>\$ 13,383,046</u>	<u>\$ 9,123,605</u>	<u>\$ 3,335,447</u>	<u>\$ 923,994</u>
	2023			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	\$ 321,272	\$ 321,272	\$ -	\$ -
Fixed income securities - investment grade	2,914,217	-	2,914,217	-
Fixed income securities - global high yield	-	-	-	-
Equities - domestic	6,235,297	6,235,297	-	-
Equities - international	530,233	530,233	-	-
Equities - emerging markets	163,550	163,550	-	-
Private equity	170,913	170,913	-	-
REIT	160,677	160,677	-	-
Commodities	106,700	-	106,700	-
Total investments	10,602,859	7,581,942	3,020,917	-
Beneficial interest in trusts	949,847	-	-	949,847
Total assets at fair value	<u>\$ 11,552,706</u>	<u>\$ 7,581,942</u>	<u>\$ 3,020,917</u>	<u>\$ 949,847</u>

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31,:

	2024	2023
Buildings	\$ 12,169,370	\$ 11,853,622
Building improvements	4,987,800	4,527,404
Land	1,686,642	1,686,642
Land improvements	199,727	84,013
Furniture, fixtures and equipment	2,324,318	1,762,602
Construction in progress	23,204	149,917
	21,391,061	20,064,200
Less accumulated depreciation	(11,200,340)	(10,393,327)
	<u>\$ 10,190,721</u>	<u>\$ 9,670,873</u>

Depreciation expense is \$807,013 and \$717,210 for the years ended December 31, 2024 and 2023, respectively.

NOTE G - MORTGAGES PAYABLE

Mortgages payable, net of mortgage costs consist of the following at December 31,:

	2024	2023
Mortgage payable to Pinellas County (Pinellas County Community Development), no principal payments required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through 2038. In the event HEP was to dispose of or alter the use of the property within the specified time period, a pro rata share would be required to be returned to Pinellas County.	\$ 309,268	\$ 309,268
Mortgage payable to Pinellas County (Community Development Block Entitlement/Grants), no principal payment required, interest free, collateralized by real property, forgiven if the property continues to be used for its intended purpose through 2031. In the event HEP was to dispose of or alter the use of the property within the specified time period, a pro rata share would be required to be returned to Pinellas County.	410,000	410,000

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE G - MORTGAGES PAYABLE - Continued

	2024	2023
Mortgage payable to Pinellas County (Home Investment Partnerships Program) monthly principal and interest payments of \$10,338 required beginning November 1, 2029; 3% annual interest rate; collateralized by real property; \$299,250 forgiven if the property continues to be used for its intended purpose through 2044.	1,800,000	1,800,000
Mortgage payable to City of Clearwater Economic Development and Housing Department (Pinellas County Community Housing Trust Fund Program) monthly principal and interest payments of \$3,365 required beginning January 2025; 1.5% annual interest rate; collateralized by real property; \$299,250 forgiven if the property continues to be used for its intended purpose through 2044. If HEP was to dispose of or alter the use of property within the specified time period, the entire loan balance and interest at 1.5% would be required to be paid to the City of Clearwater.	1,097,340	1,097,340
	3,616,608	3,616,608
Less current portion	(29,617)	(8,886)
Less unamortized mortgage costs	(10,010)	(10,537)
	<u>\$ 3,576,981</u>	<u>\$ 3,597,185</u>

Future maturities of mortgages payable at December 31, 2024, are as follows:

Years ending December 31:	Principal	Expected Forgiveness	Mortgage Costs	Total
2025	\$ 29,617	\$ -	\$ (527)	\$ 29,090
2026	29,052	-	(527)	28,525
2027	29,491	-	(527)	28,964
2028	29,836	-	(527)	29,309
2029	339,274	-	(527)	338,747
Thereafter	1,841,570	1,317,768	(7,375)	3,151,963
	<u>\$ 2,298,840</u>	<u>\$ 1,317,768</u>	<u>\$ (10,010)</u>	<u>\$ 3,606,598</u>

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE G - MORTGAGES PAYABLE - Continued

Mortgage costs consist of the following as of December 31,;

	<u>2024</u>	<u>2023</u>
Mortgage costs	\$ 14,753	\$ 14,753
Less accumulated amortization	<u>(4,743)</u>	<u>(4,216)</u>
	<u>\$ 10,010</u>	<u>\$ 10,537</u>

Interest expense related to amortization of mortgage costs was \$527 for each of the years ended December 31, 2024 and 2023.

NOTE H - LINES OF CREDIT

HEP has an agreement with Bank of America for a \$1.4 million line of credit. Borrowings under the credit line carry an interest rate of the Secured Overnight Financing Rate, plus 1.50% (5.78% and 6.93% at December 31, 2024 and 2023, respectively). HEP is able to request Bank of America to make demand loans in the aggregate principal amount that would not cause the total amount outstanding to be in excess of \$1.4 million. Bank of America may decline any request at its sole discretion with or without cause. The loan payable is due on demand and collateralized by investments without donor restrictions. There were no amounts outstanding at December 31, 2024 and 2023. HEP paid no interest associated with this agreement for the years ended December 31, 2024 and 2023. The agreement was renewed in May 2024 and expires in May 2025.

Additionally, HEP has an agreement with Synovus Bank for a \$500,000 credit facility to be used for working capital needs. Borrowings under this credit line carry an interest rate calculated at the prime lender rate (7.50% and 8.75% as of December 31, 2024 and 2023, respectively) and not to exceed 18.00% or fall below 7.00%. There was no amount outstanding at December 31, 2024 and 2023. HEP paid no interest associated with this credit line for the years ended December 31, 2024 and 2023. The agreement was renewed in the current year, extending the maturity until December 2025.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE I - NET ASSETS

Net assets with donor restrictions were as follows as of December 31,;

	2024	2023
Subject to specific expenditure:		
Capital expenditures	\$ 1,007,594	\$ 7,594
Dental and wellness	75,176	116,194
Garden infrastructure and sustainability	38,516	28,725
General maintenance	150,546	150,546
Kitchen & dining Hall	144,307	1,338
Thrift store	146,740	37,060
Veterans services	126,371	174,086
Workforce development	34,409	21,542
Youth and families programs	76,861	72,805
Subject to HEP's spending policy and appropriation:		
Investments in perpetuity (including original gifts totaling \$200,000 as of December 31, 2024 and 2023) and the net investment return from which is expendable to support:		
General operations	350,493	315,825
Not subject to HEP's spending policy or appropriation:		
Beneficial interest in trusts	923,994	949,847
	<u>\$ 3,075,007</u>	<u>\$ 1,875,562</u>

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE I - NET ASSETS - Continued

Net assets were released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time of other events specified by donors as follows for the years ended December 31,;

	2024	2023
Expiration of time restrictions	\$ -	\$ 339,831
Beneficial interest in trusts	78,584	100,329
Dental and wellness	305,176	200,104
Garden infrastructure and sustainability	75,206	-
General maintenance	-	2,860
Kitchen and dining hall	2,030	25,000
Senior citizen services	4,000	6,393
Thrift store	7,320	3,395
Urban empowerment garden	-	116,258
VA clubhouse	12,569	-
Veterans services	197,715	25,914
Workforce development	35,676	3,459
Youth and families programs	55,343	29,632
	<u>\$ 773,619</u>	<u>\$ 853,175</u>

NOTE J - ENDOWMENTS

HEP's endowments include both donor-restricted and board designated funds.

Donor-restricted

The endowment fund was established in 2006 with a donor-restricted contribution of \$200,000. According to the agreement and subsequent amendment, the original \$200,000 corpus is not subject to withdrawal, and income from the fund is available for general operations. If circumstances for HEP become financially catastrophic, a portion of the original corpus may be spent with approval by at least 75% of the Board.

Board designated

The board designated endowment fund was established by the Board of Directors to benefit HEP by providing regular, predictable operating income that will help fill gaps caused by increasing costs, demands and the possibility of diminishing government support. Management expects the principal to be preserved; however, the principal and earnings are available to provide support for HEP's programs and facilities.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE J - ENDOWMENTS - Continued

Endowment net asset composition by type of fund is as follows as of December 31,;

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 6,136,125	\$ 315,827	\$ 6,451,952
Contributions	-	-	-
Distributions	(282,506)	-	(282,506)
Investment return, net	673,514	34,666	708,180
Endowment net assets, ending	<u>\$ 6,527,133</u>	<u>\$ 350,493</u>	<u>\$ 6,877,626</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 5,385,657	\$ 270,027	\$ 5,655,684
Contributions	101,005	-	101,005
Distributions	(264,019)	-	(264,019)
Investment return, net	913,482	45,800	959,282
Endowment net assets, ending	<u>\$ 6,136,125</u>	<u>\$ 315,827</u>	<u>\$ 6,451,952</u>

Effective July 1, 2012, the state of Florida adopted the Uniform Prudent Management of Institutional Funds Act (FUPMIFA). Absent explicit donor stipulations to the contrary, the Board has interpreted FUPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, HEP classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment to be held in perpetuity, (b) the original value of the subsequent gifts to the endowment to be held in perpetuity and (c) accumulations to the endowment to be held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time that accumulation is added to the fund.

HEP considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Donor desire and restrictions
- General economic conditions
- Possible effect of inflation and deflation
- Historical and expected total return from income and appreciation on investments

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE J - ENDOWMENTS - Continued

- Other resources of HEP
- The investment policy of HEP
- The preservation and protection of assets

Spending Policy

Endowments are established to preserve principal and generate an income stream to support the purpose of the funds held. A spending policy establishes a reasonable, sustainable, consistent and predictable expenditure level, which enables HEP to use the endowment earnings to support its operation to the fullest extent possible while ensuring the principal value of the endowment is maintained and protected from the effects of inflation. HEP's policy does not prohibit spending from underwater endowment funds if it is necessary although it has been management's practice not to do so.

HEP has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board, endowment assets are invested in a manner that is intended to protect against loss associated with a single security, industry, issuer or event.

HEP has an overall goal in the strategic plan to increase the endowments while maintaining the funding of programs at their current level. HEP allows for a maximum annual appropriation of 4% of the past three-year rolling average of the net asset valuation of the endowment. During the year ended December 31, 2024 and 2023, HEP approved \$282,506 and \$264,019 in distributions to fund operations, respectively.

Investment Policy

HEP's objective, with regards to investment performance, is structured for capital appreciation with a potential for current income through a higher allocation of equities than fixed income and, where appropriate, other asset classes. Asset allocations include varying percentages of cash, equity, fixed income and commodity classes. Investment performance of the portfolio is monitored by comparison to a broad-based securities market index or other appropriate benchmark, including the S&P 500, Russell 1000, MSIC and Bloomberg Barclays U.S. Aggregated Bond Index, among others.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE K - IN-KIND REVENUE AND EXPENSES

Included as without donor restriction support and expense are the following in-kind contributions for the years ended December 31,;

	2024	2023
Food	\$ 386,836	\$ 473,485
Lease space	507,097	485,377
Dental services	498,300	435,140
Psychiatric counseling	117,857	117,857
Client goods	143,566	342,662
Other	197,255	212,134
	<u>\$ 1,850,911</u>	<u>\$ 2,066,655</u>

NOTE L - RELATED PARTY LEASES

HEP leases real properties from Everybody's Tabernacle (Church), a local community church. The pastor and the president of the Church serve on the Board of Directors. The service building is leased at an annual nominal rate of approximately \$14,000 per year for a term of 20 years, expiring 2028, compounding at a rate of 2% per year. The dental clinic, as well as the houses and dormitories used in emergency and transitional housing for the homeless, are leased from the Church for one year at \$1 per year. The fair rental value of \$507,097 and \$485,377 was recognized as in-kind contributions revenue and in-kind lease space expenses in the accompanying financial statements for the years ended December 31, 2024 and 2023, respectively.

HEP rents two houses from its founder emeritus for a total of \$1,500 a month. Total rent paid to the founder emeritus for each of the years ended December 31, 2024 and 2023, was \$18,000. The lease is renewed on an annual basis.

No amount has been recorded in the accompanying financial statements for the present value of these lease agreements, as the value cannot be estimated, the term is not substantiated, and the right to terminate the lease renders it conditional.

Total rental expenses were approximately \$539,000 and \$517,000 for the years ended December 31, 2024 and 2023, respectively.

NOTE M - CONTINGENCIES

HEP is subject to federal and state examination to determine compliance with grant funding requirements. In the event that expenditures are disallowed, repayment could be required. It is the opinion of management that no expenditures will be disallowed.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE N - CONCENTRATIONS

A significant portion of HEPs activities are supported by funds provided by the United States federal government. Future funding is dependent on the process of reapplication and award.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the statements of financial position date of December 31, 2024, through May 23, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2024

Federal Agency Pass-Through Entity Federal Program Cluster/Title	Pass-Through Entity Identifying/Contract Number	Assistance Listing Number	Pass-Through Subrecipients	Total Expenditures
U.S. Department of Housing and Urban Development				
Direct award:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants			\$ -	\$ 110,000
Passed through Pinellas County:				
Community Development Block Grants/Entitlement Grants	N/A	14.218	-	410,000
Community Development Block Grants/Entitlement Grants	CD21HEP1357	14.218	-	121,664
Passed through Feeding Tampa Bay:				
Community Development Block Grants/Entitlement Grants	N/A	14.218	-	39,489
			-	681,153
Passed through City of Clearwater:				
Home Investment Partnerships Program	N/A	14.239	-	823,005
Passed through Pinellas County:				
Home Investment Partnerships Program	N/A	14.239	-	1,800,000
			-	2,623,005
Direct award:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	52530B	14.871	-	79,430
			-	79,430
Total U.S. Department of Housing and Urban Development			-	3,383,588
U.S. Department of Veteran Affairs				
Direct award:				
VA Homeless Providers Grant and Per Diem Program	HEPI694-1332-516-PD-24	64.024	-	713,376
Total U.S. Department of Veteran Affairs			-	713,376
U.S. Department of Treasury				
Passed through Pinellas Community Foundation:				
Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	-	386,053
Passed through City of Largo:				
Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	-	247,017
Total U.S. Department of Treasury			-	633,070
Total expenditures of federal awards			\$ -	\$ 4,730,034

The accompanying notes are an integral part of this schedule.

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2024

NOTE A - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activities of Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program (HEP). 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 the schedule presents only a selected portion of the operations of HEP, it is intended to and does not present the statements of financial position, activities and changes in net assets, functional expense or cash flows of HEP.

Expenditures represent: 1) allowable costs, determined in accordance with federal cost principles, for cost-reimbursement contracts; and 2) allowable billings for fixed-fee and units of service contracts. 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 B - INDIRECT COSTS

HEP did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

NOTE C - LOANS

HEP had the following loan balances at December 31, 2024:

ALN	Description	Original Loan Amount	Balance at January 1, 2024	Loan Forgiveness	Balance at December 31, 2024
14.218	Community development block grants/ entitlement grants	\$ 410,000	\$ 410,000	\$ -	\$ 410,000
14.239	Home investment partnership program	\$ 826,005	\$ 826,005	\$ -	\$ 826,005
14.239	Home investment partnership program	\$ 1,800,000	\$ 1,800,000	\$ -	\$ 1,800,000

INDEPENDENT AUDITORS' 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

HOMELESS EMERGENCY PROJECT, INC.
D/B/A HOMELESS EMPOWERMENT PROGRAM

December 31, 2024



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Michael E. Helton
Sam A. Lazzara	James K. O'Connor
Kevin R. Bass	David M. Bohnsack
Jonathan E. Stein	Julie A. Davis
Stephen G. Douglas	Karl N. Swan
Marc D. Sasser, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

INDEPENDENT AUDITORS' 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

Board of Directors
Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program ("HEP"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of HEP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HEP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
May 23, 2025

A handwritten signature in black ink that reads "Bui, Gordon & Company, P.A." The signature is written in a cursive, flowing style.

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

HOMELESS EMERGENCY PROJECT, INC.
D/B/A HOMELESS EMPOWERMENT PROGRAM

December 31, 2024



RIVERO, GORDIMER & COMPANY, P.A.

Member
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

Board of Directors
Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program. ("HEP") 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 HEP's major federal programs for the year ended December 31, 2024. HEP's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program 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 December 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program 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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program federal programs.

Auditors' 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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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 Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program'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

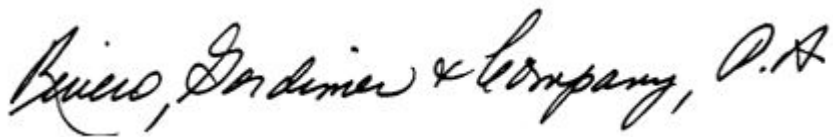
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Tampa, Florida
May 23, 2025

A handwritten signature in black ink that reads "Buco, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Homeless Emergency Project, Inc. d/b/a Homeless Empowerment Program

December 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified?

_____ yes

 X none reported

Noncompliance material to financial statements noted?

_____ yes

 X no

Federal Awards

Internal control over financial reporting

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified?

_____ yes

 X none reported

Type of auditors' report issued on compliance for major federal programs ?

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes

 X no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

64.024

VA Homeless Providers Grant and Per Diem Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes

_____ no

Section II - Financial Statements Findings

No matters were reported for the year ended December 31, 2024.

Section III - Findings and Questioned Costs for Federal Award

No matters were reported for the year ended December 31, 2024.

A summary of prior year audit findings is not presented because there were no prior year audit findings.