THE LORD'S PLACE, INC.

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

THE LORD'S PLACE, INC.

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Independent Auditors' Report

To the Board of Directors
The Lord's Place, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of The Lord's Place, Inc. (a non-profit organization) (the Agency) which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, 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 The Lord's Place, Inc. as of June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Lord's Place, Inc. 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 opinion.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lord's Place, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Lord's Place, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lord's Place, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 11, 2024, on our consideration of The Lord's Place, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Lord's Place, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Lord's Place, Inc.'s internal control over financial reporting and compliance.

Templeton & Company, LLP

West Palm Beach, Florida
December 11, 2024

THE LORD'S PLACE, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,915,841	$ 551,036
Restricted cash	143,782	147,574
Investments	12,209,883	11,777,686
Grants and other receivables	1,245,112	956,714
Current portion of contributions receivable, net	1,030,022	1,447,236
Prepaid expenses and other current assets	181,545	106,834
Total current assets	16,726,185	14,987,080
Contributions receivable, net of current portion	366,560	1,185,121
Property and equipment, net	20,515,881	19,332,512
Right of use assets - operating leases	317,945	474,201
Other assets	103,968	34,620
Total assets	$ 38,030,539	$ 36,013,534
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 3,709	$ 496
Construction costs and retainage payable	198,982	166,610
Accrued expenses	603,422	607,322
Deferred revenue	15,000	-
Current portion of lease liabilities	327,508	290,877
Current portion of long-term debt	-	9,791
Client deposits	125,652	136,456
Total current liabilities	1,274,273	1,211,552
Lease liabilities, net of current portion	130,313	328,562
Total liabilities	1,404,586	1,540,114
Net assets:		
Without donor restrictions:		
Undesignated	23,422,301	23,027,232
Designated by the Board for operating reserve	200,000	200,000
Designated by the Board for housing	163,365	163,365
	23,785,666	23,390,597
With donor restrictions:		
Purpose or time restrictions	12,265,180	10,507,716
Perpetual in nature	575,107	575,107
	12,840,287	11,082,823
Total net assets	36,625,953	34,473,420
Total liabilities and net assets	$ 38,030,539	$ 36,013,534

See accompanying notes to financial statements.

THE LORD'S PLACE, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government grants and contracts	$ 5,862,867	$ -	$ 5,862,867	$ 5,609,132	$ -	$ 5,609,132
Contributions	3,042,847	6,195,204	9,238,051	3,060,481	5,971,537	9,032,018
United Way	633,675	-	633,675	495,096	-	495,096
Special events income	1,113,405	-	1,113,405	1,008,016	-	1,008,016
Social enterprises	152,587	-	152,587	234,747	-	234,747
Residence fees	297,654	-	297,654	270,245	-	270,245
Other	5,394	-	5,394	19,317	-	19,317
Contributed in-kind services and materials	389,647	-	389,647	244,168	-	244,168
Net assets released from restrictions	2,799,834	(2,799,834)	-	2,556,761	(2,556,761)	-
Total support and revenue	14,297,910	3,395,370	17,693,280	13,497,963	3,414,776	16,912,739
Expenses:						
Program services:						
Job training and employment	1,256,236	-	1,256,236	1,022,770	-	1,022,770
Community engagement	1,651,352	-	1,651,352	1,587,239	-	1,587,239
Re-entry	1,130,008	-	1,130,008	1,112,850	-	1,112,850
Housing	7,867,476	-	7,867,476	7,036,934	-	7,036,934
Clinical services	339,463	-	339,463	256,186	-	256,186
Social enterprises	1,163,070	-	1,163,070	1,200,739	-	1,200,739
Total program services	13,407,605	-	13,407,605	12,216,718	-	12,216,718
Supporting services:						
General and administrative	1,152,980	-	1,152,980	1,202,009	-	1,202,009
Fundraising	914,181	-	914,181	1,174,339	-	1,174,339
Total expenses	15,474,766	-	15,474,766	14,593,066	-	14,593,066
Increase (decrease) in net assets from operations	(1,176,856)	3,395,370	2,218,514	(1,095,103)	3,414,776	2,319,673
Net assets released from restrictions for property and equipment	1,637,906	(1,637,906)	-	7,227,480	(7,227,480)	-
Non-operating activities:						
Net investment return	733,388	-	733,388	598,982	-	598,982
(Loss) gain on disposal of property and equipment	(799,369)	-	(799,369)	1,349,202	-	1,349,202
Change in net assets	395,069	1,757,464	2,152,533	8,080,561	(3,812,704)	4,267,857
Net assets - beginning of year	23,390,597	11,082,823	34,473,420	15,310,036	14,895,527	30,205,563
Net assets - end of year	$ 23,785,666	$ 12,840,287	$ 36,625,953	$ 23,390,597	$ 11,082,823	$ 34,473,420

See accompanying notes to financial statements.

THE LORD'S PLACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services						Supporting Services		
	Job Training and Employment	Community Engagement	Re-Entry	Housing	Clinical Services	Social Enterprises	General and Administrative	Fundraising	Total Expenses
Salaries and related costs	$ 710,191	$ 1,231,199	$ 593,921	$ 3,995,338	$ 257,099	$ 556,890	$ 762,497	$ 527,684	$ 8,634,819
Childcare	-	-	-	44,717	-	-	-	-	44,717
Client services	140,371	139,041	294,025	1,313,749	22,275	4,831	20,864	23,157	1,958,313
Food and kitchen supplies	4,175	567	202	17,242	15	245,204	700	206	268,311
Mental health services	-	-	160,049	88,570	45,168	-	-	-	293,787
Stipends	134,305	-	-	-	-	-	-	-	134,305
Travel and transportation	7,665	68,468	25,498	198,435	158	28,373	1,851	1,294	331,742
Occupancy	51,965	95,088	27,777	1,575,807	6,791	166,911	2,380	79,955	2,006,674
Professional fees	2,801	3,814	2,441	19,939	716	1,029	68,049	73,427	172,216
Office expense	20,702	28,788	14,434	133,070	4,511	24,396	17,885	63,356	307,142
Interest	-	1,799	584	3,201	-	91	-	-	5,675
Other costs	16,103	17,889	9,679	12,123	2,730	51,407	143,242	123,380	376,553
In-kind services and products	164,468	53,455	-	78,993	-	71,009	-	21,722	389,647
Subtotal	1,252,746	1,640,108	1,128,610	7,481,184	339,463	1,150,141	1,017,468	914,181	14,923,901
Depreciation and amortization	3,490	11,244	1,398	386,292	-	12,929	135,512	-	550,865
Total expenses	$ 1,256,236	$ 1,651,352	$ 1,130,008	$ 7,867,476	$ 339,463	$ 1,163,070	$ 1,152,980	$ 914,181	$ 15,474,766

See accompanying notes to financial statements.

THE LORD'S PLACE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services						Supporting Services		
	Job Training and Employment	Community Engagement	Re-Entry	Housing	Clinical Services	Social Enterprises	General and Administrative	Fundraising	Total Expenses
Salaries and related costs	$ 643,676	$ 1,192,508	$ 559,444	$ 3,448,792	$ 192,742	$ 655,534	$ 959,237	$ 682,701	$ 8,334,634
Childcare	22	36	25	20,808	6	-	87	7	20,991
Client services	134,694	132,340	256,333	1,210,741	7,631	9,143	11,939	10,633	1,773,454
Food and kitchen supplies	45,592	208	183	26,609	133	209,079	949	363	283,116
Mental health services	-	-	186,815	36,729	39,184	-	-	-	262,728
Stipends	55,820	-	-	-	-	-	-	-	55,820
Travel and transportation	3,666	12,458	23,504	151,508	641	33,824	10,792	11,842	248,235
Occupancy	56,956	147,076	15,240	1,498,338	8,749	163,832	118,482	159,496	2,168,169
Professional fees	2,255	3,132	4,339	20,328	605	2,933	55,207	117,842	206,641
Office expense	27,368	35,534	17,546	140,827	4,667	17,434	22,801	82,563	348,740
Interest	-	3	-	5,015	-	1,838	3	1	6,860
Other costs	11,246	14,927	6,686	67,167	1,783	90,496	8,382	86,790	287,477
In-kind services and products	39,071	30,025	41,882	106,751	-	4,338	-	22,101	244,168
Subtotal	1,020,366	1,568,247	1,111,997	6,733,613	256,141	1,188,451	1,187,879	1,174,339	14,241,033
Depreciation	2,404	18,992	853	303,321	45	12,288	14,130	-	352,033
Total expenses	$ 1,022,770	$ 1,587,239	$ 1,112,850	$ 7,036,934	$ 256,186	$ 1,200,739	$ 1,202,009	$ 1,174,339	$ 14,593,066

See accompanying notes to financial statements.

THE LORD'S PLACE, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 2,152,533	$ 4,267,857
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	550,865	352,033
Net unrealized and realized (gain) on investments	(390,673)	(295,254)
Loss (gain) on disposal of property and equipment	799,369	(1,349,202)
Donations of equity securities	-	(125,716)
Contributions restricted for long-term purposes	(1,406,178)	(2,967,334)
Amortization of lease cost	26,570	-
(Increase) decrease in operating assets:		
Grants and other receivables	(288,398)	45,484
Contributions receivable	1,235,775	934,497
Prepaid expenses and other current assets	(74,711)	141,995
Other assets	(69,348)	-
Increase (decrease) in operating liabilities:		
Accounts payable	35,585	(123,534)
Accrued expenses	(3,900)	(17,112)
Client deposits	(10,804)	6,046
Deferred revenue	15,000	-
Net cash provided by operating activities	2,571,685	869,760
Cash flows from investing activities:		
Proceeds from sales of investments	300,000	396,824
Purchases of investments	(341,524)	-
Proceeds from sale of property	-	2,000,000
Purchases of property and equipment	(2,501,046)	(8,005,435)
Net cash used in investing activities	(2,542,570)	(5,608,611)
Cash flows from financing activities:		
Payments on finance lease liabilities	(64,489)	(41,246)
Repayments of principal on long-term debt	(9,791)	(199,534)
Contributions restricted for long-term purposes	1,406,178	2,967,334
Net cash provided by financing activities	1,331,898	2,726,554
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,361,013	(2,012,297)
Cash, cash equivalents, and restricted cash, beginning of year	698,610	2,710,907
Cash, cash equivalents, and restricted cash, end of year	$ 2,059,623	$ 698,610
Supplemental disclosures of cash flow information:		
Interest paid	$ 5,675	$ 3,739

See accompanying notes to financial statements.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

The Lord's Place, Inc. (The Lord's Place or Agency) is a non-sectarian organization dedicated to breaking the cycle of homelessness for men, women, and children in our community. Supportive services offered through our housing programs include case management, recovery support, behavioral health care and coordination, budgeting, and financial counseling, as well as services designed to secure and maintain employment, reconnect with family, and participate in community life.

Description of programs

The significant program services provided by The Lord's Place are briefly described as follows:

Housing

The organization provided supportive and graduate housing for over 200 households daily, addressing homelessness through a diverse range of housing programs. These programs included Alexander Place: Housing 37 families; Mann Campus: Supporting 50 single men; three (3) Burckle Place Campuses: Accommodating 43 single women; C-Place: Serving 21 individuals with severe and persistent mental illness; Housing First Scattered-Site Programs: Supporting more than 80 individuals experiencing chronic homelessness.

In addition to safe housing, the organization delivered comprehensive wraparound services tailored to resident needs, including case management, benefits navigation, job training and placement, life skills education, healthcare coordination, and peer support. These efforts empowered residents to achieve stability and self-sufficiency.

As a result of this holistic approach, over 90% of residents successfully maintained or transitioned to stable housing each year, demonstrating the organization's effectiveness in combating homelessness and promoting long-term stability.

Job Training, Employment Services & Social Enterprises

The Agency provided comprehensive employment services for over 350 adults who were experiencing homelessness and unemployment. These services included job coaching, job skills training, cognitive-behavioral intervention instruction, adult basic education, GED preparation tutoring, and job placement and retention support.

A cornerstone of the Agency's offerings was its innovative culinary program, which combines hands-on vocational training with cognitive-behavioral intervention. The program equips formerly homeless apprentices with the skills needed for employment in roles such as sous chefs, line cooks, and other restaurant positions. Apprentices train alongside professional chefs while providing hundreds of free, gourmet meals weekly at the Agency's Café Joshua.

Through this job training initiative, more than 150 participants enhanced their job skills annually, with 80 successfully securing employment, demonstrating the program's impact on building self-sufficiency and fostering long-term stability.

Community Engagement

The Agency operated the largest street outreach program by geographic area in Palm Beach County, Florida, serving over 800 unsheltered individuals. This program addressed immediate needs by providing food, hygiene products, blankets, identification assistance, housing navigation, and referrals to mental health and substance use treatment services. More than 400 individuals were connected to housing, including reunification with family and friends, secured rental housing, or accessed emergency shelter, rapid rehousing, and supportive housing programs.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Description of programs, continued

Community Engagement, continued

The Agency is the designated Projects for Assistance in Transition from Homelessness (PATH) provider for Palm Beach County, delivering outreach and case management services to individuals experiencing homelessness and co-occurring serious mental illness. In the past year, 90 individuals were served, with over 40% connected to the Agency's SSI/SSDI Outreach, Access, and Recovery (SOAR) program. This program utilized a national best-practice model to help individuals with disabilities experiencing homelessness access Social Security benefits and healthcare. Among PATH program participants who exited, 72% transitioned to stable housing.

The Agency also employed trained staff to facilitate the SOAR process for individuals experiencing homelessness. Last year, 57 Social Security benefit applications were submitted, with an approval rate of 69%—substantially higher than Florida's statewide approval average.

Re-entry

The Agency's reentry program supported over 150 adults annually as they transition back into the community following incarceration. The program offered comprehensive services, including case management, job training, peer support, healthcare coordination, referrals to community-based mental health and substance use treatment, housing navigation and placement, family reunification assistance, and more.

As a result of these efforts, more than 85% of participants avoided re-arrest for at least one year after enrollment, reflecting the program's success in fostering stability and reducing recidivism.

Beyond direct services, the reentry program actively participated in reentry coalitions, collaborative initiatives, and advocacy efforts to address systemic criminal justice issues and improve outcomes for individuals affected by incarceration.

Clinical and Care Coordination Services

The Agency's Counseling, Access, Recovery, and Education (CARE) Team provided integrated healthcare support and coordination for over 100 unhoused individuals who were experiencing acute and/or chronic physical and behavioral health conditions. This multidisciplinary team included a licensed clinical social worker, a board-certified psychiatric nurse practitioner, a recovery coordinator, a certified community health worker, and other key members of clients' support systems, such as housing staff, case managers, job coaches, and benefits navigators.

The CARE Team delivered a wide range of services, including care coordination, medical advocacy, psychiatric assessments, treatment planning, medication management, crisis intervention, recovery support, and assistance with preventative and primary healthcare. Staff assisted clients with scheduling and attending healthcare appointments, following treatment plans, monitoring health indicators (e.g., blood pressure, diabetes management, wound care), managing health insurance, and more.

As a result of these efforts, 81% of clients avoided or reduced their use of emergency services. Among those who exited the program, 90% were successfully connected to health insurance and a community-based medical home, ensuring continuity of care and long-term health stability.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

A summary of the significant accounting policies used to prepare the accompanying financial statements follows:

Basis of financial statement presentation

The financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Net assets of the Agency and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets available for the support of the Agency's operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions **–** Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that may or will be met either by actions of the Agency or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Generally, the donors of these assets permit the Agency to use all or part of the earnings on related investments for general or specific purposes. When a donor restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Grant revenue

The Agency receives various grants from federal, state, local, and private agencies for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenue from grants is deemed earned and recognized in the statements of activities when expenditures are made for the purposes specified.

The Agency is the recipient of cost reimbursement grant funds. The grant revenue is recognized as the specified costs described in the grant agreements are incurred. Any amounts collected in advance of incurring specified costs are reflected as deferred revenue.

Grants receivable are stated at the amount of the uncollected balances less any allowance for doubtful collection. There was no allowance for credit losses related to grants receivable at June 30, 2024 and 2023.

Revenue recognition

Special event revenue

The portion of attendee fees and tickets sold that relate to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Social enterprises and residence fees

Revenues from fees are recognized over the terms of the program and the period of service provided. Amounts collected in advance but unearned are reflected in the statement of financial position, as deferred revenue.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Cash and cash equivalents

Cash and cash equivalents include demand deposits, certificates of deposit, money market accounts, and other highly liquid investments with an original maturity of three months or less. The Agency classified any cash or money market accounts held by external investment managers as investments as the intent is to hold and reinvest these amounts in its investment portfolio.

Restricted cash

The Agency's restricted cash accounts consist of client security deposits received under lease arrangements. A reconciliation of cash, cash equivalents and restricted cash at June 30, 2024 and 2023 follows:

	2024	2023
Cash and cash equivalents	$ 1,915,841	$ 551,036
Restricted cash	143,782	147,574
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	$ 2,059,623	$ 698,610

Contributed non-financial assets (in-kind contributions)

Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills that would typically need to be purchased, if not provided by donation, and are recorded at their fair values in the period received. The Agency's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of The Lord's Place. All gifts-in-kind received by the Agency for the years ended June 30, 2024 and 2023 were considered without donor restrictions and able to be used by the Agency as determined by the Board of Directors and management (see Note 16).

Contributions and contributions receivable

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may be either conditional or unconditional. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. Assets received before the barrier is overcome are accounted for as refundable advances.

Contributions are recognized in revenue when cash, securities, or other assets, an unconditional promise to give, or notification of beneficial interest is received. All public support and revenue are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected beyond one year are discounted to their net present value by applying an appropriate discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based on management's judgment of potential defaults and historical experience.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Agency's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Agency's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Investments and endowment

Investments are held in the custody of an investment firm that manages them in accordance with policies set by the Investment committee and approved by the Board of Directors. Investments in closed-end and open-end mutual funds, as well exchange-traded funds (ETFs) and index funds are reported at fair value based on daily quoted prices. Money market funds maintain a constant net asset value of $1 per share. Corporate bonds, common stocks, and commodities are measured at quoted market prices. Real estate investment trusts are measured at net asset value per share or its equivalent. Investments received as contributions are recorded at quoted market value or estimated fair value on the date of receipt. Realized and unrealized gains and losses are determined by comparison of specific costs of the investment to the proceeds at the time of sale or at the statements of financial position date.

Endowment investments consist of investments purchased with donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the Agency's activities. Endowment investments also include investments purchased with unspent investment income and net gains on these resources.

The Agency's investments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility risk. In addition, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and those changes could materially affect the amounts reported in the statements of financial position.

Purchased investments are initially recorded at cost and contributed investments are initially recorded at fair value on the date received, and any net appreciation or loss arising thereafter is reported annually in the statements of activities. Gains and losses on investments, including changes in market value, are reported in the statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions.

Property and equipment

Property and equipment is stated at cost or, if donated, at the fair value at the date of donation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. These estimated useful lives are summarized in the following table:

Building and building improvements	20-40 years
Furniture and equipment	5-10 years
Transportation equipment	3-5 years

When assets are retired or otherwise disposed of, the cost or donated value and related accumulated depreciation are removed from the statements of financial position and any resulting gain or loss is reflected in the statements of activities. Maintenance and repairs are charged to expense as incurred.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Income taxes

The Agency was granted tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Agency is required to operate in conformity with the provisions of the IRC to maintain its exempt status.

Management analyzes tax positions in jurisdictions where it is required to file income tax returns. Based on its evaluation, management did not identify any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease. Interest and penalties attributable to income taxes, if any, are included in operating expenses. The Agency is no longer subject to income tax examinations for years prior to 2021.

Leases

The Agency classifies a lease as operating or finance using the classification criteria set forth in ASC 842. Further, the Agency recognizes a lease right-of-use (ROU) asset and a corresponding lease liability on its statement of financial position as of the lease commencement date based on the present value of the lease payments over the lease term.

The Agency's leases do not provide an implicit interest rate. The Agency uses a practical expedient available to nonpublic entities to use the risk free rate to calculate the present value of the Agency's lease payments as of the commencement date. The term of a lease is inclusive of any option to renew, extend, or terminate the lease when it is reasonably certain that the Agency will exercise such option. For operating leases, lease expense is recognized on a straight-line basis over the lease term. For finance leases, ROU assets are amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the leased asset.

Functional allocation of expenses

The Agency allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Agency. Expenses that apply to more than one functional category include administration, program administration, evaluation and research, and occupancy costs.

Administration is allocated based upon management's estimate of time and effort, program administration and evaluation and research are allocated based upon total direct expenses by program, and occupancy is allocated based on the square footage of the property used by the respective program.

Periodically, or when new space or programs are added, the bases on which costs are allocated are evaluated.

Adopted accounting standard

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) (Topic 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Agency that are subject to the guidance in FASB ASC 326 were accounts receivable. The Agency adopted the standard, effective July 1, 2023. The adoption of Topic 326 was not considered material to the financial statements of the Agency and primarily resulted in new and enhanced disclosures only.

Note 2 – Liquidity and Availability of Resources

Financial assets available for general expenditures within one year of June 30, 2024 and 2023, are as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 1,915,841	$ 551,036
Restricted cash	143,782	147,574
Investments	12,209,883	11,777,686
Grants and other receivables, net	1,245,112	956,714
Contributions receivable, net	1,396,582	2,632,357
Total financial assets	16,911,200	16,065,367
Less: financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets (Note 13)	(12,265,180)	(10,507,716)
Donor-restricted endowment funds perpetual in nature (Note 13)	(575,107)	(575,107)
Less: Board designated assets (Note 14)	(363,365)	(363,365)
Less: Contractual restrictions	(143,782)	(147,574)
Amount available for general operating expenditures within one year	$ 3,563,766	$ 4,471,605

The Agency is substantially supported by grants and contributions without donor and with donor restrictions. Because a grant or donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. The Agency's endowment fund has funds designated by the Board to support its mission to serve the homeless.

The Agency has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses. Although the Board of Directors desires to maintain the principal amount as an endowment, it is available to support operations if needed. Financial assets not included above are designated with donor restrictions and it is the Board of Directors' desire to maintain them as such. If needed, those financial assets with donor restrictions can be used as financial resources, as directed by the Board of Directors for operational purposes, in certain circumstances.

As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Agency has available two lines of credit that can be used to meet its current obligations, if necessary (see Note 7).

Note 3 – Investments

A summary of investments, by investment type, at June 30, 2024 and 2023 follows:

	2024	2023
Money market funds	$ 6,830,898	$ 7,603,816
Mutual funds and ETFs	31,390	124,123
Common stocks	2,791,356	2,433,600
Real estate investment trust	172,575	191,963
Structured notes	131,175	-
Corporate bonds	2,252,489	1,424,184
Total investments	$ 12,209,883	$ 11,777,686

Note 3 – Investments, Continued

The following schedule summarizes the net investment return for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividends	$ 342,715	$ 303,728
Realized and unrealized gains, net	426,086	303,880
Investment fees	(35,413)	(8,626)
Net investment return	$ 733,388	$ 598,982

Note 4 – Fair Value Measurements

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of the fair value require significant management judgment or estimation.

The Agency's investments are reported at fair value. Fair value is determined by the following methods:

Money market funds – valued using net asset value (NAV) $1.

Mutual funds and ETFs – valued at the daily closing price as reported by the Fund. Mutual funds held by the Agency are open ended mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds and exchange traded funds held by the Agency are deemed to be actively traded (Level 1 inputs).

Common stocks – valued at the closing price reported on the active market on which the securities are traded on the last business day of the Agency's fiscal year.

Corporate bonds – determined by the closing bid price on the last business day of the fiscal year if actively traded.

Structured notes – estimated values obtained from over-the-counter exchanges and other brokerage services through third parties, and do not reflect adjustments taken by such third parties for financial reporting purposes arising from changes in the market value of such transactions.

Real estate investment trust (RIT) – valued at the NAV of units of a real estate investment trust fund. The NAV, as provided by the fund manager of the RIT, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Unitholder transactions (purchases and sales) may occur daily.

Note 4 – Fair Value Measurements, Continued

The following table summarizes the Agency's determination of fair value as of June 30, 2024 and 2023 on the following financial assets using these input levels that are measured at fair value on a recurring basis:

	Fair Value Measurement as of June 30, 2024			
	Level 1	Level 2	Level 3	Fair Value Total
Money market funds	$ 6,830,898	$ -	$ -	$ 6,830,898
Mutual funds and ETFs	31,390	-	-	31,390
Common stocks	2,791,356	-	-	2,791,356
Real estate investment trust*	-	-	-	172,575
Structured notes	-	131,175	-	131,175
Corporate bonds	-	2,252,489	-	2,252,489
Investments, at fair value	$ 9,653,644	$ 2,383,664	$ -	$ 12,209,883

	Fair Value Measurement as of June 30, 2023			
	Level 1	Level 2	Level 3	Fair Value Total
Money market funds	$ 7,603,816	$ -	$ -	$ 7,603,816
Mutual funds and ETFs	124,123	-	-	124,123
Common stocks	2,433,600	-	-	2,433,600
Real estate investment trust*	-	-	-	191,963
Corporate bonds	-	1,424,184	-	1,424,184
Investments, at fair value	$ 10,161,539	$ 1,424,184	$ -	$ 11,777,686

* *In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.*

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the NAV share practical expedient as of June 30, 2024 and 2023. There are no redemption restrictions for this investment.

	Fair Value as of June 30,		Unfunded	Redemption	Redemption
	2024	2023	Commitments	Frequency	Notice Period
RIT	$ 172,575	$ 191,963	None	Daily	None

The Starwood Real Estate Income Trust (RIT or the trust) is a perpetual life non-traded real estate investment trust composed of real estate investments in multifamily and industrial properties and reports its NAV of units of the RIT. The objective of the trust is to provide income-producing returns on invested real estate. The trust's investments primarily consist of direct real estate investments as well as investments in real estate collateralized debt.

Note 5 – Contributions Receivable, Net

Contributions receivable consist of the following at June 30, 2024 and 2023:

	2024	2023
Homeless services	$ 150,000	$ 450,000
Capital campaign	1,306,179	2,312,451
Total unconditional promises to give	1,456,179	2,762,451
Less: unamortized discount	(33,159)	(79,939)
	1,423,020	2,682,512
Less: allowance for doubtful collections	(26,438)	(50,155)
Contributions receivable, net	$ 1,396,582	$ 2,632,357
Amounts due in:		
Less than one year	$ 1,063,181	$ 1,527,175
One to five years	392,998	1,235,276
	$ 1,456,179	$ 2,762,451

The Agency applied a discount rate of 1.82% as of both June 30, 2024 and 2023, to all contributions receivable with terms in excess of one year. The allowance for doubtful collections is estimated and adjusted based upon management's assessment of current economic conditions that would affect the adequacy of the allowance.

Note 6 – Property and Equipment

Property and equipment as of June 30, 2024 and 2023 consists of the following:

	2024	2023
Land	$ 1,173,430	$ 1,173,430
Building and building improvements	17,912,624	7,849,639
Furniture and equipment	1,598,720	452,070
Transportation equipment	725,296	604,472
	21,410,070	10,079,611
Less: accumulated depreciation	(4,578,892)	(4,096,682)
Operating property and equipment, net	16,831,178	5,982,929
Construction in progress	3,684,703	13,349,583
Property and equipment, net	$ 20,515,881	$ 19,332,512

Depreciation totaled $550,865 and $352,033 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2023, construction in progress consists of the construction costs for the Agency's West Palm Beach Resource Center. As of June 30, 2024, construction in progress consists of the construction costs for the Agency's future program housing.

During the year ended June 30, 2024, the Agency reviewed long-lived assets for impairment due to changes in circumstances which indicated the carrying value of certain property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the disposition. Management determined certain property and equipment's carrying value was not recoverable. For the year ended June 30, 2024, the Agency recognized an impairment loss of $799,369 related to the net book value of certain property and equipment that was disposed of as a result of construction of the Agency's West Palm Beach Resource Center. The impairment charge is included in the non-operating activities section of the accompanying statement of activities for the year ended June 30, 2024.

Note 7 – Lines of Credit

Collateralized line of credit

The Agency has an available revolving line of credit with a financial institution that provides for borrowings of up to $5,800,000 (the line of credit) with a minimum withdrawal requirement of $55,000. The Agency had no borrowings outstanding on the line of credit as of June 30, 2024 and 2023. The line of credit is due on demand, bears interest at a variable rate set by the financial institution (7.45% at June 30, 2024) and is collateralized by the Agency's investments held with the financial institution.

Uncollateralized line of credit

The Agency has a revolving line of credit with a bank that provides for borrowings of up to $25,000 (revolving line of credit). The Agency had no borrowings outstanding on the revolving line of credit as of June 30, 2024 and 2023. The revolving line of credit is due on demand, bears interest at the Wall Street Prime Rate (8.25% at June 30, 2024), is uncollateralized and matures in November 2024.

Note 8 – Long-term Debt

Long-term debt at June 30, 2024 and 2023 is as follows:

	2024	2023
Vehicle notes payable – vehicle finance lenders, monthly payments of principal and interest ranging from 3.50% to 5.10%; repaid in full during 2024.	$ -	$ 9,791
Total long-term debt – all current	$ -	$ 9,791

Note 9 – Leases

The Agency's lease arrangements consist of office equipment, vehicles, housing, office, and retail space leases. The Agency evaluates whether a contractual arrangement that provides it with control over the use of an asset is, or contains, a lease at the inception date.

The Agency does not recognize a ROU asset or lease liability for leases with an initial term of 12 months or less. Variable lease payments that do not depend on an index or rate or result from changes in an index or rate subsequent to the lease commencement date are recorded as lease expense in the period in which the obligation for the payment is incurred. The Agency's ROU asset is increased by any prepaid lease payments and initial direct costs and reduced by any lease incentives. The Agency's leases do not contain any material residual value guarantees or restrictive covenants.

ROU assets represent the Agency's right to use an underlying asset during the lease term and its lease liabilities represent the Agency's obligation to make lease payments arising from the lease. As of June 30, 2024 and 2023, the Agency's operating lease ROU asset is included as a noncurrent asset and its operating lease liability as lease liability, net included as a non-current liability, and the current portion of the lease liabilities included in current liabilities in the Agency's statements of financial position. The Agency's finance lease ROU asset is included in property and equipment in the accompanying statements of financial position.

Note 9 – Leases, Continued

The following table presents the Agency's lease ROU assets and lease liabilities at June 30, 2024 and 2023:

	2024		2023	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Right-of-use assets	$ 317,945	$ 147,448	$ 474,201	$ 183,547
Current lease liabilities	$ 272,537	$ 54,971	$ 232,667	$ 58,210
Long-term lease liabilities	45,388	84,925	214,944	113,618
Total lease liabilities	$ 317,925	$ 139,896	$ 447,611	$ 171,828

For the years ended June 30, 2024 and 2023, the Agency's operating lease expense is recorded within the various program services or general and administrative expenses in the accompanying statements of activities. The following table represents the components of lease expense for the years ended June 30, 2024 and 2023:

	2024	2023
Finance lease cost:		
Amortization of leased assets	$ 68,655	$ 29,527
Interest on lease liabilities	5,550	1,845
Total finance lease cost	$ 74,205	$ 31,372
Operating lease cost:		
Fixed operating lease cost	$ 379,103	$ 577,142
Short-term lease cost	314,960	288,990
Total operating lease cost	$ 694,063	$ 866,132

The following reconciles the undiscounted minimum lease payments to the lease liabilities recorded on the accompanying statement of financial position at June 30, 2024:

Year Ending June 30,	Finance Leases	Operating Leases
2025	$ 59,142	$ 278,326
2026	33,300	45,273
2027	30,391	639
2028	22,200	160
2029	3,700	-
Total minimum lease payments	148,733	324,398
Less: imputed interest	(8,837)	(6,473)
Present value of minimum lease payments	$ 139,896	$ 317,925

The following table presents the weighted average remaining lease term and discount rate of the Agency's leases at June 30, 2024 and 2023:

	2024		2023	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Weighted average remaining lease term (years)	3.33	1.20	3.81	1.88
Weighted average discount rate	3.81%	3.41%	3.59%	2.91%

Note 9 – Leases, Continued

The following summarizes the cash flow information related to operating and finance leases for the years ended June 30, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 264,874	$ 245,512
Operating cash flows for finance leases	$ 70,039	$ 43,091
Operating ROU assets obtained in exchange for new operating lease liabilities	$ 134,001	$ 677,169
Finance ROU assets obtained in exchange for new lease finance liabilities	$ 32,557	$ 213,074

Note 10 – Employee Retirement Plan

The Agency maintains a qualified IRC 401(k) Retirement Plan (the Plan) for the benefit of substantially all eligible employees. Employees must complete minimum service requirements and may contribute up to 15% of their compensation, not to exceed the maximum amount allowable by the IRC. The Agency matches up to 3% of an eligible employee's gross compensation. The Agency's matching contribution was $204,233 and $175,873 for the years ended June 30, 2024 and 2023, respectively.

Note 11 – Concentrations

The Agency maintains its cash and cash equivalent accounts in bank deposit accounts with several high credit quality financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). The balances, at times, may exceed federally insured limits. The Agency's uninsured balances as of June 30, 2024 and 2023 totaled approximately $1,858,000 and $1,061,000, respectively. The Agency has not experienced any losses in such accounts. To minimize this risk, the Agency uses several financial institutions and reviews the banks' financial condition to help ensure the safety of its deposits.

The Agency receives a portion of its revenue and support from federal program funding which is passed through various state and local governmental entities. A significant reduction in the level of this support, if this were to occur, could have an effect on the Agency's services and activities. Other grants represent amounts received from the local grant funding agencies.

Concentrations of contribution support

For the years ended June 30, 2024 and 2023, approximately 40% and 22%, respectively, of contribution support came from three donors and two donors, respectively.

Note 12 – Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes or, by the occurrence of events as specified by the donors. Net assets were released from donor restrictions during the years ended June 30, 2024 and 2023 as follows:

	2024	2023
Social enterprises	$ 13,652	$ 92,115
Clinical services	108,635	95,694
Outreach services	305,549	120,567
Capital campaign	1,119,046	6,695,656
Job training and employment	232,371	252,969
Re-entry	-	117,905
Homeless services	608,445	424,069
Housing	2,050,042	1,985,266
Total net assets released from restrictions	$ 4,437,740	$ 9,784,241

Note 13 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2024 and 2023:

	2024	2023
Time and purpose restrictions:		
Housing	$ 4,990,049	$ 2,916,637
Homeless services	1,370,183	1,016,596
Special projects	412,804	402,804
Capital campaign	4,792,220	5,864,242
Job training and employment	79,962	120,255
Clinical services	133,044	34,179
Outreach services	337,778	143,880
Re-entry	9,094	9,094
Social enterprise and prevention services	140,046	29
Perpetual in nature:		
Institutional support	575,107	575,107
Total net assets with donor restrictions	$ 12,840,287	$ 11,082,823

Note 14 – Endowments

The Agency considers its endowment to include certain assets designated by the Board of Directors. The endowment by net asset category and purpose at June 30, 2024 and 2023 is presented as follows:

	June 30, 2024		
	Without Donor Restriction	With Donor Restriction	Total
Endowment gifts and designations:			
Housing	$ 163,365	$ -	$ 163,365
Institutional support	200,000	575,107	775,107
Total endowment gifts and designations	363,365	575,107	938,472
Non-endowment net assets	23,422,301	12,265,180	35,687,481
Total net assets	$ 23,785,666	$ 12,840,287	$ 36,625,953

	June 30, 2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment gifts and designations:			
Housing	$ 163,365	$ -	$ 163,365
Institutional support	200,000	575,107	775,107
Total endowment gifts and designations	363,365	575,107	938,472
Non-endowment net assets	23,027,232	10,507,716	33,534,948
Total net assets	$ 23,390,597	$ 11,082,823	$ 34,473,420

The Agency's funds are established for the purposes expressed in the Agency's charter. The Agency's funds consist of donor-restricted funds and funds designated by the Board of Directors to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 14 – Endowments, Continued

Interpretation of relevant law

The Agency follows the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). FUPMIFA requires the Board of Directors to use reasonable care, skill and caution as exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with FUPMIFA, the Board of Directors may expend so much of an endowment fund as the Board of Directors determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment fund.

Endowment balances classified as without donor restricted assets consist of accumulated investment return in which the donor has not restricted the Agency's use of such return or endowments where the Board of Directors, rather than the donor, decides to retain and invest in principal with only income to be expended.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. There were no funds with deficiencies as of June 30, 2024.

Return objectives and risk parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to grant programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of multiple benchmarks based on the type of investment while assuming a moderate level of investment risk. The Agency expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies employed to achieve objectives

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a conservative allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy

The Agency's policy is to appropriate for distribution each year an amount equal to 100% of the 3-5 year rolling quarterly average of the endowment funds' earnings. Accordingly, over the long term, the Agency expects the current spending policy to allow its assets to grow at an average of approximately 5% annually. This is consistent with the Agency's objective to maintain the purchasing power of the assets held to provide additional real growth through investment return.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Balance as of July 1, 2023	$ 363,365	$ 575,107	$ 938,472
Appropriations for endowment expenditures	-	-	-
Balance as of June 30, 2024	$ 363,365	$ 575,107	$ 938,472

Note 15 – Commitments and Contingencies

Legal matters

From time to time, the Agency is subject to legal proceedings which arise in the ordinary course of its operations. Management believes that the final resolution of these matters will not have a material adverse effect on the Agency's financial position, cash flows, or results of operations.

Construction contracts

The Agency has entered into a construction contract for the construction of a new multi-generational women's housing complex located in Lake Worth, Florida. Construction in progress totaling $3,120,483 has been incurred and capitalized as of June 30, 2024. The total estimated remaining construction cost at June 30, 2024 of $1,023,000 is expected to be completed by the Spring of 2025.

Support from federal, state and local agencies

Grant awards from federal, state and local governmental entities are subject to certain audit and compliance requirements. Such compliance requirements and program reviews could result in adjustments to grant funds received for disallowed costs or noncompliance with grantor restrictions. No provision has been made for liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that it has operated and conducted grant programs in accordance with the guidelines and requirements from the various governmental agencies.

Note 16 – Contributions of Nonfinancial Assets

Contributed nonfinancial assets (in-kind donations) for the years ended June 30, 2024 and 2023 were as follows:

	Year Ended June 30,		Donor	Valuation Techniques
Nonfinancial Assets	2024	2023	Restrictions	and Inputs
Contributed services	$ 230,901	$ 121,372	Without donor restrictions	Contributed services are recorded at the estimated fair value of the related services performed
Program supplies	158,746	122,796	Without donor restrictions	Program supplies are recorded at the estimated fair value of the related items received
	$ 389,647	$ 244,168		

Note 17 – Subsequent Events

The Agency evaluated events occurring subsequent to June 30, 2024 through December 11, 2024, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTARY INFORMATION

THE LORD'S PLACE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	CFDA/CSFA #	Grantor's Number	Expenditures
U.S. Department of Housing and Urban Development:			
Office of Community Planning and Development: Continuum of Care Program			
Supportive Housing - Project Family Care	14.267	FL0287L4D052215	$ 231,534
Supportive Housing - Project Family Care	14.267	FL0287L4D052316	83,302
Supportive Housing - Operation Home Ready III	14.267	FL0594L4D052104	172,392
Supportive Housing - Operation Home Ready III	14.267	FL0594L4D052205	147,574
Supportive Housing - Operation Home Ready IV	14.267	FL0368L4D052112	76,229
Supportive Housing - Operation Home Ready IV	15.267	FL0368L4D052113	260,639
Supportive Housing - Home First	14.267	FL0711L4D052104	19,956
Supportive Housing - Home First	14.267	FL0711L4D052205	353,702
Total Continuum of Care Program			1,345,328
Office of Community Planning and Development: Congressional Grant Division			
Disaster Recovery Grant Reporting	14.251	B-22-CPFL0252	331,035
U.S. Department of Housing and Urban Development			
Office Of Community Planning and Development: Emergency Solutions Grant Program			
Coronavirus Aid, Relief, and Economic Security Act	14.231	R2022-0927	183,834
Coronavirus Aid, Relief, and Economic Security Act	14.231	R2023-0927	309,099
Total Emergency Solutions Grant Program			492,933
Total U.S. Department of Housing and Urban Development			**2,169,296**
U.S. Department of Homeland Security:			
Pass-through programs from:			
Palm Beach County - Emergency Food and Shelter Program	97.024	LRO-168600-004	59,258
Total U.S. Department of Homeland Security			**59,258**
U.S. Department of Health and Human Services:			
Block Grants for Community Mental Health Services			
Pass-through programs from:			
Federal - Southeast Florida Behavioral Health Network	93.150	PNA22-15	243,435
Federal - Southeast Florida Behavioral Health Network	93.958	PNA22-15	267,202
Federal - Southeast Florida Behavioral Health Network	93.958	PNA22-15	98,423
Federal - Southeast Florida Behavioral Health Network	93.958	PNA22-15	34,811
Federal - Southeast Florida Behavioral Health Network	93.958	PTA-03-15	1,107,531
Total Block Grants for Community Mental Health Services			1,751,402
Total U.S. Department of Health and Human Services			**1,751,402**
U.S. Department of Justice:			
Second Chance Act Reentry Initiative			
Pass-through programs from:			
Palm Beach County - Criminal Justice Commission (Community)	16.812	2019-CY-BX-0005	335,620
Total Second Chance Act Reentry Initiative			335,620
Edward Byrne Memorial Justice Assistance Grant Program			
Pass-through programs from:			
Palm Beach County - Criminal Justice Commission (Community)	16.738	R2022-1232	43,940
Palm Beach County - Criminal Justice Commission (Community)	16.738	R2023-1891	56,731
Total Edward Byrne Memorial Justice Assistance Grant Program			100,671
Total U.S. Department of Justice			**436,291**
Total Expenditures of Federal Awards			**$ 4,416,247**
State Financial Assistance:			
Florida Department of Corrections			
Palm Beach County - Criminal Justice Commission (Community)	70.011	R2023-1888	$ 219,427
Total State Financial Assistance			**$ 219,427**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Note 1 – Basis of Presentation

The purpose of the accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) is to present, in summary form, total federal award and state financial assistance expenditures of The Lord's Place, Inc. (the Agency) for the year ended June 30, 2024 which have been financed under the various federal award programs and state financial assistance projects. The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, certain amounts presented in this Schedule may differ from amounts presented in the basic financial statements.

Note 2 – Significant Accounting Policies

Expenditures reported on the Schedule 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 allowed or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Lord's Place, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance unless it is contractually required to use the 10 percent de minimis indirect cost rate in which case it applied the 10 percent de minimis cost rate.

Note 4 – Loan and Loan Guarantee Programs

There were no loans or loan guarantee programs as of or for the year ended June 30, 2024.

Note 5 – Subrecipients

There were no payments to subrecipients for the year ended June 30, 2024.

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*

To the Board of Directors
The Lord's Place, Inc.

We have audited, 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, the financial statements of The Lord's Place, Inc. (the Agency), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Lord's Place, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Lord's Place, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Lord's Place, Inc.'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 may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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

Templeton & Company, LLP

West Palm Beach, Florida
December 11, 2024

Templeton
ACCOUNTANTS & ADVISORS

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
The Lord's Place, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Lord's Place, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Lord's Place, Inc.'s major federal programs for the year ended June 30, 2024. The Lord's Place, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Lord's Place, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Lord's Place, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Lord's Place, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Lord's Place, Inc.'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 and therefore, material weaknesses or significant deficiencies 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.

Templeton & Company, LLP

West Palm Beach, Florida
December 11, 2024

THE LORD'S PLACE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Part I – Summary of Auditor's Results:

Financial statement section:	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
Federal programs section:	
Dollar threshold used to distinguish Type A and Type B Program	$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report on compliance for major programs	Unmodified
Internal control over compliance for major programs:	
Material weaknesses identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.958	Block Grants for Mental Health Services
14.267	Continuum of Care Program
14.231	Emergency Solutions Grant Program

Part II – Financial Statement Findings and Questioned Costs

We noted no material weaknesses or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.*

Part III – Federal Program Findings and Questioned Costs

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance as well as the status of prior year findings and questioned costs.

Current Year's Findings and Questioned Costs

No reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by the Uniform guidance, were reported for the year ended June 30, 2024.

Prior Year Findings and Questioned Costs

No reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance, were reported for the year ended June 30, 2023.