



**Student Homelessness Initiative Partnership of
Frederick County, Inc.**

Independent Auditors' Report and Financial Statements

For the Years Ended December 31, 2024 and 2023

**Student Homelessness Initiative Partnership of
Frederick County, Inc.**

For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Student Homelessness Initiative Partnership of Frederick County, Inc.
Frederick, Maryland**

Opinion

We have audited the accompanying financial statements of Student Homelessness Initiative Partnership of Frederick County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Student Homelessness Initiative Partnership of Frederick County, Inc. 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. 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 Student Homelessness Initiative Partnership of Frederick County, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Student Homelessness Initiative Partnership of Frederick County, Inc.'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 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, including omissions, 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, 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 Student Homelessness Initiative Partnership of Frederick County, 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 Student Homelessness Initiative Partnership of Frederick County, 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.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
July 28, 2025

STUDENT HOMELESSNESS INITIATIVE PARTNERSHIP OF FREDERICK COUNTY, INC.
Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Assets		
Cash	\$ 404,616	\$ 373,066
Grants receivable	115,412	64,168
Prepaid expenses	2,468	2,359
Operating lease - right of use asset, net	22,342	43,752
Other assets	<u>1,878</u>	<u>1,918</u>
Total Assets	<u><u>\$ 546,716</u></u>	<u><u>\$ 485,263</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 42,107	\$ 37,665
Deferred revenue	21,000	21,000
Operating lease liability	<u>23,235</u>	<u>44,645</u>
Total Liabilities	86,342	103,310
Net Assets		
Net assets without donor restrictions	<u>460,374</u>	<u>381,953</u>
Total Liabilities and Net Assets	<u><u>\$ 546,716</u></u>	<u><u>\$ 485,263</u></u>

See Independent Auditors' Report and
Notes to the Financial Statements

STUDENT HOMELESSNESS INITIATIVE PARTNERSHIP OF FREDERICK COUNTY, INC.

Statements of Activities

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Other Support without Donor Restrictions		
Contributions and grants	\$ 303,327	\$ 384,606
Event income	-	1,662
Other income	16,236	3,579
Net assets released from donor restrictions	<u>653,461</u>	<u>499,788</u>
Total revenues and other support without donor restrictions	973,024	889,635
Expenses		
Program services	717,930	688,421
Supporting Services:		
Management and general	133,979	125,811
Fundraising	<u>42,694</u>	<u>32,210</u>
Total expenses	<u>894,603</u>	<u>846,442</u>
Change in net assets without donor restrictions	<u>78,421</u>	<u>43,193</u>
Revenues and Other Support with Donor Restrictions		
Contributions and grants	\$ 653,461	\$ 489,788
Net assets released from donor restrictions	<u>(653,461)</u>	<u>(499,788)</u>
Change in net assets with donor restrictions	<u>-</u>	<u>(10,000)</u>
Change in net assets	78,421	33,193
Net assets - beginning of year	<u>381,953</u>	<u>348,760</u>
Net assets - end of year	<u><u>\$ 460,374</u></u>	<u><u>\$ 381,953</u></u>

See Independent Auditors' Report and
Notes to the Financial Statements

STUDENT HOMELESSNESS INITIATIVE PARTNERSHIP OF FREDERICK COUNTY, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2024**

	Program Services				Supporting Services		Total Expenses
	New Horizons	THRIVE! Host Home Network	Other Program Services	Total Program Expenses	Management and General	Fundraising	
Expenses							
Salaries and employee benefits	\$ 285,020	\$ 143,692	\$ 46,096	\$ 474,808	\$ 68,867	\$ 36,473	\$ 580,148
Specific assistance:							
Academy stipends & other assistance	44,930	56,478	-	101,408	-	-	101,408
Transportation	64,566	-	25	64,591	-	-	64,591
Emergency housing	-	23,632	301	23,933	-	-	23,933
Extracurricular activities	630	11	-	641	-	-	641
Clothing	161	36	-	197	342	-	539
Food	300	-	76	376	-	-	376
Specific assistance sub-total	110,587	80,157	402	191,146	342	-	191,488
Occupancy	9,871	9,871	-	19,742	10,431	-	30,173
Accounting services	5,433	5,433	-	10,866	18,719	-	29,585
Contractual services	4,285	830	-	5,115	6,830	-	11,945
In-Kind expenditures	-	-	-	-	9,705	-	9,705
Reimbursements	8,457	490	150	9,097	220	-	9,317
Insurance	-	-	-	-	8,657	-	8,657
Event expenses	-	-	-	-	-	6,221	6,221
Dues and subscriptions	296	295	-	591	3,922	-	4,513
Miscellaneous expenses	951	700	-	1,651	1,597	-	3,248
Utilities	1,035	1,035	-	2,070	1,035	-	3,105
Advertising and promotion	-	-	-	-	2,893	-	2,893
Office supplies and expense	1,736	184	36	1,956	367	-	2,323
Legal and professional fees	180	613	-	793	180	-	973
Website expenses	15	15	-	30	164	-	194
Meals and entertainment	-	65	-	65	50	-	115
Total Expenses	<u>\$ 427,866</u>	<u>\$ 243,380</u>	<u>\$ 46,684</u>	<u>\$ 717,930</u>	<u>\$ 133,979</u>	<u>\$ 42,694</u>	<u>\$ 894,603</u>

See Independent Auditors' Report and
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STUDENT HOMELESSNESS INITIATIVE PARTNERSHIP OF FREDERICK COUNTY, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2023**

	Program Services				Supporting Services		
	New Horizons	THRIVE! Host Home Network	Other Program Expenses	Total Program Expenses	Management and General	Fundraising	Total Expenses
Expenses							
Salaries and employee benefits	\$ 238,416	\$ 155,989	\$ 43,006	\$ 437,411	\$ 77,092	\$ 23,852	\$ 538,355
Specific assistance:							
Academy stipends & other assistance	48,589	31,674	32	80,295	-	-	80,295
Emergency housing	4,583	62,916	12,065	79,564	-	-	79,564
Transportation	36,470	232	-	36,702	-	-	36,702
Clothing	1,705	69	1,791	3,565	172	-	3,737
Food	566	10	339	915	-	-	915
Specific assistance sub-total	91,913	94,901	14,227	201,041	172	-	201,213
Occupancy	9,436	9,436	-	18,872	10,329	-	29,201
Accounting services	5,000	5,000	-	10,000	18,201	-	28,201
Contractual services	4,348	2,788	222	7,358	2,038	6,088	15,484
Reimbursements	6,461	1,834	274	8,569	33	-	8,602
Insurance	-	-	-	-	7,078	-	7,078
Dues and subscriptions	322	517	-	839	4,313	-	5,152
Office supplies and expense	349	351	-	700	3,049	-	3,749
Utilities	998	998	-	1,996	994	-	2,990
Event expenses	-	-	-	-	-	2,270	2,270
Website expenses	618	618	-	1,236	767	-	2,003
Advertising and promotion	-	-	-	-	1,546	-	1,546
Legal and professional fees	-	305	-	305	-	-	305
Stationery and printing	37	47	-	84	39	-	123
Meals and entertainment	-	-	-	-	85	-	85
Postage	10	-	-	10	36	-	46
Miscellaneous expenses	-	-	-	-	39	-	39
Total Expenses	<u>\$ 357,908</u>	<u>\$ 272,784</u>	<u>\$ 57,729</u>	<u>\$ 688,421</u>	<u>\$ 125,811</u>	<u>\$ 32,210</u>	<u>\$ 846,442</u>

See Independent Auditors' Report and
Notes to the Financial Statements

STUDENT HOMELESSNESS INITIATIVE PARTNERSHIP OF FREDERICK COUNTY, INC.

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 78,421	\$ 33,193
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of right of use asset	21,410	22,789
Changes in operating assets and liabilities:		
Grants receivable	(51,244)	21,262
Prepaid expenses	(109)	-
Other assets	40	(507)
Accounts payable and accrued expenses	4,442	10,734
Deferred revenue	-	14,500
Operating lease liability	(21,410)	(21,896)
Net cash provided by operating activities	<u>31,550</u>	<u>80,075</u>
Increase in cash	31,550	80,075
Cash, beginning of year	<u>373,066</u>	<u>292,991</u>
Cash, end of year	<u><u>\$ 404,616</u></u>	<u><u>\$ 373,066</u></u>

See Independent Auditors' Report and
Notes to the Financial Statements

Student Homelessness Initiative Partnership of Frederick County, Inc.
Notes to the Financial Statements
December 31, 2024 and 2023

NOTE-1 NATURE OF ACTIVITIES

Student Homelessness Initiative Partnership of Frederick County, Inc. (SHIP or the Organization) is a nonprofit 501(c)(3) entity incorporated and registered under the laws of the State of Maryland. SHIP is established to provide critical services and urgent resources to the hundreds of Frederick County youth who experience homelessness each year. Program services span four primary areas: the year-round New Horizons counseling program for youth experiencing homelessness; the New Horizons Academy held each summer; the THRIVE! Host Home Network; and Other Services that include providing food, funding of after-school activities, new clothing, and emergency shelter and services that prevent homelessness. SHIP is funded primarily through private, corporate and civic organization contributions, local and state governments, and foundation grants.

NOTE-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting principles followed are described below.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when they are incurred, without regard to receipt or payment of cash.

Financial Statement Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210, "Not-for-Profit Entities". Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets with Donor Restrictions – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Student Homelessness Initiative Partnership of Frederick County, Inc.
Notes to the Financial Statements (Continued)
December 31, 2024 and 2023

NOTE-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants Receivable

Receivables are stated at the amount management expects to collect from balances outstanding at year end. The Organization uses the allowance method to account for its receivables that are considered uncollectible. All amounts are deemed collectible as of December 31, 2024 and 2023 and no allowance is considered necessary.

Deferred revenue

Revenue received in advance of the period in which it is earned is deferred to subsequent periods. Grants are considered conditional when they include a barrier that must be overcome and either a right of return of assets transferred or a right of release of a donor's obligation to transfer assets.

Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payment over the lease term, using the Institute's incremental borrowing rate, and ROU assets also include prepaid or accrued rent.

Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

Support and Revenue

All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Student Homelessness Initiative Partnership of Frederick County, Inc.
Notes to the Financial Statements (Continued)
December 31, 2024 and 2023

NOTE-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs are charged directly to the appropriate functional category or allocated based on estimated percentages by management based on the historical knowledge of the nature and function of the expense.

Estimates

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

NOTE-3 INCOME TAXES

SHIP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. In addition, the Organization qualifies as a charity under Section 170(b)(1)(A) and is not a private foundation, so contributions to the Organization are deductible as charitable contributions. As such, it is exempt from income taxes on all but unrelated business income. The Organization has not received any notices from the Internal Revenue Service which would affect its status as an exempt, charitable organization. There was no unrelated business income for the years ended December 31, 2024 and 2023.

SHIP complies with FASB ASC 740-10 and Accounting Standards Update (ASU) 2009-06. Therefore, the Organization considered the possibility of uncertain tax positions and their impact on the financial position of the Organization. The most significant tax positions of the Organization are its tax-exempt status and the determination of unrelated business taxable income. As of December 31, 2024 and 2023, management did not identify any uncertain tax positions.

SHIP accrues interest and penalties (if applicable) in income taxes payable on the Statements of Financial Position and records any expense in the provision for income taxes in the Statements of Activities. The Organization had no penalties or income taxes for the years ended December 31, 2024 and 2023. Pursuant to Internal Revenue Service rules for the statute of limitations, the Organization believes it is no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2021.

Student Homelessness Initiative Partnership of Frederick County, Inc.
Notes to the Financial Statements (Continued)
December 31, 2024 and 2023

NOTE-4 CONCENTRATIONS

Credit Risk

SHIP maintains cash balances at one local financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times throughout the year, the Organization may have deposits at financial institutions in excess of the federally insured limit. As of December 31, 2024 and 2023, SHIP held \$137,437 and \$42,614 in uninsured cash, respectively. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

NOTE-5 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or because the governing board has set aside the funds for a specific purpose.

	<u>2024</u>	<u>2023</u>
Financial assets, at year-end		
Cash	\$ 404,616	\$ 373,066
Grants receivable	<u>115,412</u>	<u>64,168</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 520,028</u>	<u>\$ 437,234</u>

The Organization has established a reserve account with an initial deposit of \$60,000, which represents approximately one month of operating expenses. The Organization has policies to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE-6 LEASING ARRANGEMENTS

In late December 2022, the Organization executed a new lease agreement commencing January 1, 2023 and terming on December 31, 2025. The base rent is \$1,825 and escalates 4% each year. In addition to the base rent, the Organization pays a monthly amount of \$534 to cover property expenses. The monthly property expense amount is to be determined for calendar years 2024 and 2025.

Total rent expense for the years ended December 31, 2024 and 2023 was \$30,173 and \$29,201, respectively.

The remaining lease term is 12 months and the discount rate is 4.18%

Student Homelessness Initiative Partnership of Frederick County, Inc.
Notes to the Financial Statements (Continued)
December 31, 2024 and 2023

NOTE-6 LEASING ARRANGEMENTS (Continued)

Future maturities of the operating lease liability are as follows as of December 31;

2025	\$ 23,682
	23,682
Less: present value discount	<u>(447)</u>
	<u>\$ 23,235</u>

NOTE-7 SUBSEQUENT EVENTS

Subsequent events are defined as events or transactions that occur after the Statement of Financial Position date through the date that the financial statements are available to be issued. As of July 28, 2025, the date the financial statements were available to be issued, the Organization performed an evaluation and determined that there were no subsequent events requiring recognition or disclosure.