

Global Empowerment Mission, Inc.
(Not-For-Profit Organization)
Financial Statements
and Supplementary Information
December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Global Empowerment Mission, Inc.

Opinion

We have audited the accompanying financial statements of Global Empowerment Mission, Inc. ("the Organization"), which comprise the statements of financial position as of December 31, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Global Empowerment Mission, Inc. as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with Chapter 10.650, *Rules of the Auditor General*. 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Global Empowerment Mission, 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 generally accepted auditing standards, *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General*, 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, 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 Global Empowerment Mission, 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 Global Empowerment Mission, 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.



Other Matters

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, as required by Chapter 10.650, *Rules of the Auditor General*, 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 related 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 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 November 19, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Organization's internal control over financial reporting and compliance. In addition, we have also issued our report dated November 19, 2025, applicable to each major state project. Such report should also be read in conjunction with the report in considering the results of our audit.

ZOMMA Group, LLP

Coral Gables, Florida

November 19, 2025

Global Empowerment Mission, Inc.
(Not-For-Profit Organization)
Statements of Financial Position
December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Combined Totals
Assets			
Current assets			
Cash	\$ 296,328	\$ 12,164,796	\$ 12,461,124
Grants and other receivables	5,804,531	-	5,804,531
Prepaid expenses	3,309,036	-	3,309,036
Employee loans	19,231	-	19,231
Inventory of aid supplies	11,456,184	-	11,456,184
Total current assets	<u>20,885,310</u>	<u>12,164,796</u>	<u>33,050,106</u>
Investments	51,496	-	51,496
Property and equipment, net	1,257,619	-	1,257,619
Operating lease right-of-use asset	1,159,648	-	1,159,648
Other assets			
Security deposit	99,604	-	99,604
Total assets	<u>\$ 23,453,677</u>	<u>\$ 12,164,796</u>	<u>\$ 35,618,473</u>
Liabilities and net assets			
Liabilities			
Current liabilities			
Line of credit	\$ 975,814	\$ -	975,814
Accounts payable and accrued expenses	6,606,815	-	6,606,815
Refundable advances	2,779,935	-	2,779,935
Current portion of operating lease liability	999,630	-	999,630
Current portion of long term debt	129,824	-	129,824
Total current liabilities	<u>11,492,018</u>	<u>-</u>	<u>11,492,018</u>
Noncurrent liabilities			
Long-term operating lease liability, net of current portion	148,690	-	148,690
Long-term debt, net of current portion	307,497	-	307,497
Total noncurrent liabilities	<u>456,187</u>	<u>-</u>	<u>456,187</u>
Total liabilities	11,948,205	-	11,948,205
Net assets	<u>11,505,472</u>	<u>12,164,796</u>	<u>23,670,268</u>
Total liabilities and net assets	<u>\$ 23,453,677</u>	<u>\$ 12,164,796</u>	<u>\$ 35,618,473</u>

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

Global Empowerment Mission, Inc.
(Not-For-Profit Organization)
Statements of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Combined Total
Public support			
In-kind contributions	\$ 76,047,658	\$ -	\$ 76,047,658
Cash Donations	-	10,441,790	10,441,790
Grants - Federal	-	394,028	394,028
- State	-	829,686	829,686
- Local	-	1,471,687	1,471,687
DHS - RAP Housing Grant (Note 12)	-	15,586,239	15,586,239
State of Hawaii - Modular Homes (Note 12)	-	10,687,557	10,687,557
Foundation grants	-	46,107,475	46,107,475
Other income	221,195	-	221,195
Net assets released from restriction	106,672,071	(106,672,071)	-
Total public support	<u>182,940,924</u>	<u>(21,153,609)</u>	<u>161,787,315</u>
Functional expenses			
Program expenses	179,644,162	-	179,644,162
General and administrative	5,822,515	-	5,822,515
Fundraising	280,328	-	280,328
Total functional expenses	<u>185,747,005</u>	<u>-</u>	<u>185,747,005</u>
Deficit of public support over expenses	<u>(2,806,081)</u>	<u>(21,153,609)</u>	<u>(23,959,690)</u>
Other changes in net assets			
Loss on disposal of property	(103,287)	-	(103,287)
Interest income	971,084	-	971,084
Investment income	23,341	-	23,341
Other income	49,529	-	49,529
Interest expense	(79,178)	-	(79,178)
Total other changes in net assets	<u>861,489</u>	<u>-</u>	<u>861,489</u>
Change in net assets	(1,944,592)	(21,153,609)	(23,098,201)
Net assets – beginning of year	<u>13,450,064</u>	<u>33,318,405</u>	<u>46,768,469</u>
Net assets – end of year	<u><u>\$ 11,505,472</u></u>	<u><u>\$ 12,164,796</u></u>	<u><u>\$ 23,670,268</u></u>

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

Global Empowerment Mission, Inc.
(Not-For-Profit Organization)
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Disaster Relief	Construction	Housing	Hurricane	Conflict Areas	Total Program Expenses	General and Support Expenses	Fundraising Expenses	Combined Totals	2023
Personnel costs										
Salaries	\$ 317,615	\$ 634,725	\$ 639,239	\$ 751,396	\$ 835,392	\$ 3,178,367	\$ 1,640,165	\$ -	\$ 4,818,532	\$ 2,295,136
Payroll taxes and fringe benefits	23,970	49,056	48,980	57,480	63,908	243,394	125,223	-	368,617	165,534
Total personnel costs	341,585	683,781	688,219	808,876	899,300	3,421,761	1,765,388	-	5,187,149	2,460,670
Other expenses										
Advertising	-	-	-	-	-	-	213,134	280,328	493,462	147,470
Auto	-	-	-	-	-	-	94,673	-	94,673	7,094
Bank fees	-	-	-	-	-	-	20,497	-	20,497	103,815
Depreciation	-	-	-	-	-	-	256,553	-	256,553	171,253
Global warehouse expense	-	115,678	173,518	-	9,252,536	9,541,732	485,845	-	10,027,577	184,744
In-kind	64,085,077	-	-	11,721,157	3,046,825	78,853,059	-	-	78,853,059	68,135,280
Employee benefits	-	-	-	-	-	-	303,730	-	303,730	-
Insurance	-	-	-	-	-	-	131,353	-	131,353	210,458
Leases expense	-	-	-	-	-	-	-	-	-	962,413
Program expenses	2,372,995	10,246,630	16,381,850	1,088,552	56,972,944	87,062,971	-	-	87,062,971	58,586,066
Office expense	-	-	-	-	-	-	768,343	-	768,343	295,054
Payroll services	-	-	-	-	-	-	-	-	-	3,265
Professional fees	-	62,294	-	17,753	2,520	82,567	471,636	-	554,203	424,191
Rent	-	-	-	-	-	-	1,237,841	-	1,237,841	-
Travel	125,421	69,102	30,675	179,959	276,915	682,072	73,522	-	755,594	58,774
Total functional expenses	\$ 66,925,078	\$ 11,177,485	\$ 17,274,262	\$ 13,816,297	\$ 70,451,040	\$ 179,644,162	\$ 5,822,515	\$ 280,328	\$ 185,747,005	\$ 131,750,547

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

Global Empowerment Mission, Inc.
(Not-For-Profit Organization)
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows from operating activities	
Cash received from grants and revenues	\$ 79,973,485
Cash paid to suppliers and employees	(102,856,816)
Dividend income	971,084
Interest paid	(79,178)
Net cash used in operating activities	<u>(21,991,425)</u>
Cash flows from investing activities	
Proceeds from sale of property	22,498
Purchase of property and equipment	(639,580)
Net cash used in investing activities	<u>(617,082)</u>
Cash flows from financing activities	
Net borrowings on line of credit	975,814
Borrowings on long-term debt	88,813
Payments on long-term debt	(184,919)
Net cash provided by financing activities	<u>879,708</u>
Net decrease in cash and cash equivalents	<u>(21,728,799)</u>
Cash – beginning of year	<u>34,189,923</u>
Cash – end of year	<u><u>\$ 12,461,124</u></u>
Reconciliation of change in net assets to net cash from operating activities	
Change in net assets	\$ (23,098,201)
Add items which do not affect cash	
Depreciation	256,553
Loss on disposal of property and equipment	80,789
Add or (deduct) changes in operating assets and liabilities	
Grants and other receivables	(5,823,762)
Inventory aid supplies	1,919,587
Accounts payable and accrued expenses	5,231,992
Operating lease liability	(11,626)
Refundable advances	2,779,935
Prepaid rent	(3,309,036)
Security deposit	(17,656)
Net cash used in operating activities	<u><u>\$ (21,991,425)</u></u>

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

Note 1 Organization and Purpose

Global Empowerment Mission, Inc. ("GEM" or the "Organization") is a 501(c)(3) nonprofit organization founded in 2011 in the State of Florida. Guided by a profound commitment to humanitarian service, GEM was established by Michael Capponi and a dedicated group of board members, all united by a common purpose: to deliver rapid, effective, and compassionate aid to those in the midst of disaster.

Since its inception, GEM has stood as a beacon of hope for communities facing some of the world's most devastating crises. Built on the principles of speed, efficiency, and local collaboration, the Organization has developed a model that brings immediate relief and long-term recovery to individuals and families when they need it most. GEM's mission is rooted in the belief that timely assistance, delivered with dignity and respect, can help communities not only survive hardship but rebuild stronger and more resilient lives.

In 2024, GEM continued to respond to crises across the world, with two of its most critical and ongoing missions being the humanitarian response to the Ukraine war and the conflict in the Israel-Gaza region.

In Ukraine, where the war has caused unimaginable hardship and displacements, GEM has remained on the ground and at the heart of relief efforts. Throughout 2024, the Organization expanded its operations, delivering life-saving supplies - food, medical kits, shelter materials, winter gear - and vital emotional support to countless families caught in the devastation. GEM's unwavering presence in Ukraine represents more than aid; it is a promise to those enduring the unimaginable that they are not forgotten. It is a testament to the resilience of the human spirit and to the extraordinary power of compassion across borders.

Simultaneously, GEM responded to the escalating humanitarian crisis arising from the Israel-Gaza conflict. With a commitment to neutrality and humanity, GEM focused on delivering critical assistance to displaced and vulnerable civilians on both sides of the conflict. Providing food, shelter, and emergency medical supplies, GEM's work in this region underscores its deepest values: that every life matters and that hope can, and must, persist even in the most challenging circumstances.

In addition to these complex emergencies, GEM answered the call of countless communities impacted by natural disasters. Early in the year, GEM responded to a devastating earthquake in Japan, major flooding in San Diego, and wildfires across Colombia, Chile, and Texas. In the spring and summer months, the Organization mobilized to assist victims of massive floods in Brazil, Hurricane Beryl in the Caribbean, the Park Fire in California, wildfires in Alberta and Bulgaria, and devastating hurricanes and flooding events across Florida, Louisiana, North Carolina, and Poland. In October, GEM also provided critical flood relief to communities in Valencia, Spain.

Note 1 Organization and Purpose (continued)

At its core, GEM exists because of a simple, profound belief: that in the face of disaster and hardship, collective action fueled by compassion can transform lives. Every mission carried out in 2024 reflects the generosity of donors and partners who make this work possible. With their continued support, GEM will remain a source of hope and strength for communities in crisis, helping them to recover, rebuild, and rise stronger than ever before.

Note 2 Summary of Significant Accounting Policies

Basis of Financial Statements Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity (See Note 9).

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

In preparing the financial statements of the Organization, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the statement of financial position date, and the revenues and expenses for the period then ended. Actual results could differ from those estimates. A description of some of the estimates used in the preparation of the financial statements is included in the following significant accounting policies.

Note 2 Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consist of a) valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), b) valuations based on observable unadjusted quoted prices for similar assets and liabilities in active markets (Level 2), and c) valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3). A description of the Organization's accounting principles and basis of presentation with regards to the fair market value of its assets and liabilities follows:

Financial Assets and Liabilities

The Organization reflects certain financial assets and liabilities such as cash, receivables, prepaid expenses, payables, and accrued expenses at their carrying values in accordance with U.S GAAP.

Non-Financial Assets

The Organization's non-financial assets comprise of assets which are measured at fair value on a nonrecurring basis such as property and equipment and investments. The Organization's property and equipment as further explained in Note 5 is tested for impairment and adjusted to fair market value based on a Level 2 or 3 type of valuation when circumstances indicate that the carrying value of an asset may not be recoverable.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. There were no such investments as of December 31, 2024.

Grants and Other Receivables

Grants and other receivables represent amounts due to the Organization from federal, state and local governments for services rendered under contractual obligations and grants from corporations and foundations. All outstanding grants and other receivables totaling approximately \$5,805,000 are expected to be collected within one year and are considered collectible and an allowance for uncollectible amounts was not recorded.

Management reviews the collectability of receivables and assesses the need for an allowance for credit losses based on the Organization's receivable collection experience and management's evaluation and pertinent factors. Account balances are charged off against the allowance after all commercially reasonable means of collection have been exhausted and potential recovery is considered remote. During the year ended December 31, 2024, no allowance for credit losses was deemed necessary.

Note 2 Summary of Significant Accounting Policies (continued)

Investments

Investments include holdings in exchange-traded funds and mutual funds and are classified as available-for-sale.

Investments are carried at fair value on the statement of financial position, with the change in fair value during the period included in earnings.

These investments' fair value is determined using Level 1 inputs, when available, such as the bid-and-asked prices publicly reported as of the date of the financial statements. Level 1 inputs generally provide the most reliable evidence of fair value. Level 2 inputs were only used when Level 1 inputs were not available, if applicable.

Realized gains and losses are determined from the proceeds from the sale in excess of related costs. Investment transactions are recognized on a trade date basis. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Interest and dividend income is included in dividend income in the accompanying statements of activities.

The preceding methods may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future values. While management believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date and these differences could be material.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with these securities.

Property and Equipment

Property and equipment is recorded at cost when purchased or constructed, or at fair market value when donated. Depreciation is included in the statement of activities and is computed on the straight-line basis over the estimated useful life of the assets. The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Donations of property and equipment are reported as without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Impairment

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value is impaired, the long-lived assets will be written down to their fair market value with a corresponding charge to earnings. No such impairment was recorded for the year ended December 31, 2024.

Note 2 Summary of Significant Accounting Policies (continued)

Donated Inventory, Supplies, Materials and Services

Donated inventory, supplies and materials are recorded at their fair value at the date of the gift. Donated services are reflected when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services, which would be typically purchased if not provided by donation. Inventory of aid supplies represents donated inventory not yet distributed at December 31, 2024.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grant Revenues

Grant revenues are recognized in the period expenditures are incurred in compliance with the terms of the grant.

Vendor Revenues

The Organization recognizes revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, as applied to grant-funded vendor arrangements in which the grantor receives commensurate value in the form of disaster relief services. Revenue is recognized over time as performance obligations are satisfied, which occurs as eligible costs are incurred and services are provided, in accordance with the terms of the grant agreements. The amount recognized reflects the consideration to which the Organization expects to be entitled for the services performed.

Functional Allocation of Expenses

The costs of providing the programs and supporting activities have been directly charged. General and support costs primarily consist of personnel costs, professional fees, insurance, rent, and other expenses.

Income Taxes

The Organization is organized as a not-for-profit entity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the Organization had none for the year ended December 31, 2024, would be subject to federal income taxes. The Organization's information returns filed with the Internal Revenue Service have not been examined in the past. The Organization is not aware of any uncertainties that could jeopardize its not-for-profit status. Therefore, no provision or liability for income taxes is deemed necessary.

Note 2 Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Organization follows the provisions of uncertain tax provisions addressed by the Financial Accounting Standards Board Accounting Standards Codification (ASC) 740-10 *Accounting For Uncertainty in Income Taxes*. The Organization has no uncertain tax positions at December 31, 2024, for which the ultimate deductibility is highly certain but for which there are uncertainty about the timing of such deductibility. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expense. The Organization is no longer subject to US Federal and Florida income tax examinations by authorities for years before 2022.

Leases

The Organization determines if an arrangement contains a lease at inception. Operating leases are included in the Organization's operating Right-of-Use ("ROU") assets, the current portion of operating lease liabilities, and the long-term portion of operating lease liabilities in the Organization's statement of financial position. The ROU assets represent the Organization's right to control the use of an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The operating lease ROU assets also include any prepaid lease payments made and exclude lease incentives. Lease expense is recognized on a straight-line basis over the lease term. The Organization's lease includes both lease (e.g., fixed payments including rent, taxes, and insurance costs) and nonleases components (e.g., common-area or other maintenance costs), which are accounted for as a single lease component as the Organization has elected the practical expedient to group lease and nonleases components for all leases.

The lease includes one or more options to renew. The exercise of lease renewal options is typically at the Organization's sole discretion; therefore, the majority of renewals to extend the lease terms are not included in the Organization's ROU assets and lease liabilities as they are not reasonably certain of exercise. The Organization regularly evaluates the renewal options and when they are reasonably certain of exercise, the Organization includes the renewal period in the lease term. As most of the leases do not provide an implicit rate, the Organization uses the risk free discount rate based on the information available at the lease commencement date in determining the present value of the lease payments.

The Organization has elected the practical expedient not to recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, the short-term lease expense for the period does not reflect the ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended December 31, 2024.

Note 3 Contract Asset and Liability

Contract asset and liability consist of the following as of December 31, 2024:

Contract assets	
Grants and other receivables	\$ 5,804,531
	<u>5,804,531</u>
Contract liability	
Refundable advances	\$ 2,779,935
	<u>2,779,935</u>

Receivables represent amounts billed to grantors and third parties where payment has not been received. Refundable advances represents grant funding received in advance before program related cost conditions are met. In this connection, refundable advances constitute contract liability. The Organization had no opening balances of contract assets or contract liabilities from year ending December 31, 2023.

Note 4 Investments

Investments as of December 31, 2024, as set forth by levels within the fair value hierarchy, consist of the following:

	Fair Value Level 1	Cost
Mutual funds	\$ 42,219	\$ 7,974
Exchange-traded funds	9,250	1,263
	<u>\$ 51,469</u>	<u>\$ 9,237</u>

Investments are reflected at their fair values in the accompanying statement of financial position. Fair values are based on quoted prices in active markets (Level 1 measurements).

The inputs or methodology used for valuating securities are not necessarily an indication of the risk associated with these securities.

Investment income is summarized as follows:

Dividend income	\$ 18,467
Unrealized gain on investments	4,875
	<u>\$ 23,342</u>

Investment income is reflected in the accompanying statement of activities.

Note 5 Property and Equipment

Property and equipment consist of the following at December 31, 2024:

		Useful Lives (Years)
Furniture and fixtures	\$ 64,760	5 - 7
Computer and software	31,457	5
Leasehold improvements	143,175	15
Machinery and equipment	1,506,644	5 - 7
	<u>1,746,036</u>	
Less: accumulated depreciation	<u>(488,417)</u>	
	<u><u>\$ 1,257,619</u></u>	

Depreciation expense for the year ending December 31, 2024 totaled \$256,553.

Note 6 Operating Leases

The Organization leases warehouse and office space under an operating lease agreement, which expires February 2026. Lease expense for the year ended December 31, 2024, totaled \$1,633,336.

Maturities of lease liabilities for operating leases are as follows as of December 31, 2024:

Year Ending	
2025	\$ 1,025,410
2026	148,966
	<u>1,174,376</u>
Less: present value discount	<u>(26,056)</u>
Total lease liabilities	<u><u>\$ 1,148,320</u></u>

The weighted average remaining lease terms and the risk free discount rates for the Organization's operating leases were as follows as of December 31, 2024:

Description	Years/ Discount Rate
Weighted-average remaining lease term in years for operating leases	1.12
Weighted-average discount rate for operating leases	4.44%

Note 6 Operating Leases (continued)

Supplemental cash flow information related to the Organization's operating leases were as follows for the year ended December 31, 2024:

Operating:	
Operating leases, included in operating expenses	\$ 1,170,841
Short term lease cost	<u>67,000</u>
	<u><u>\$ 1,237,841</u></u>

Note 7 Line of Credit

The Organization has a line of credit with a maximum borrowing up to \$1,000,000 to be used for operation purposes. The financial institution bears interest at Wall Street Journal Prime Rate plus 2.0% (9.88% at December 31, 2024), with a maturity date of June 2026. Total interest related to this agreement was approximately \$26,000. As of December 31, 2024, the balance on this line of credit amounted to \$975,814. This agreement is guaranteed by the assets of the Organization and personally guaranteed by the Founder, Michael Capponi. As of year-end, the Organization is not in compliance with the minimum Debt Service Coverage Ratio (DSCR) covenant required by its loan agreement. As a result, the lender has the right to declare the outstanding balance immediately due and payable. The Organization obtained a waiver from the lender, which waives compliance with this covenant through November 30, 2025. Accordingly, the debt continues to be classified as noncurrent as of the balance sheet date. Management is implementing measures to improve future compliance with the covenant.

Note 8 Long-Term Debt

Long-term debt consists of installment notes of various vehicles and equipment with bearing interest rates ranging from 5.75% - 21%, monthly payments approximating \$15,000, maturing at various dates through 2030.

Maturities on long-term debt is as follows:

Year Ending December 31,	
2025	\$ 129,824
2026	132,705
2027	123,436
2028	25,742
2029	15,228
Thereafter	<u>10,386</u>
	437,321
Less: current portion	<u>129,824</u>
	<u><u>\$ 307,497</u></u>

Note 9 Net Assets with Donor Restrictions

Net assets with donor restrictions consists of the following for the year ended December 31, 2024:

Maui Brewing Co Fund	\$ 406,964
GEM Hawaii Ops Fund	37,103
Hawaii Ops Reserve	64,471
Ukraine Fund	5,711,326
Ukraine Ops Fund	992,688
Stable Road Foundation Fund	155,928
WeGaveWhat Initiative Fund	2,030
Flew The Coop Fund	51,144
GEM Modular Homes Fund	23,349
GEM Maui Fires Ops Fund	13
GEM LATAM Fund	942
GEM Israel Fund	36,997
GEM Muslin Aid Fund	29,448
Hurricane Beryl Fund	289,115
GEM NC Small Business Fund	255,900
MENA Ops Fund	218,019
GEM HCI Canada Fund	282,387
US Tornadoes Disaster Fund	320
Haiti Educational Fund	1,872
Sacred Amazonia Fund	102,541
Bstrong Initiative Fund	485,388
Miami Dade Disaster Fund	1,887
GEM TANF Fund	2,779,936
HAWAII Construction Fund	426
Helene NC Fund	19,238
Helene-Milton Fund	59,955
Milton NC Fund	117,087
Kenneth Horowitz Fund	25,000
Israel Evacuees Fund	9,033
GEM USA WestFund	4,289
Total donor restricted net assets	<u><u>\$ 12,164,796</u></u>

Note 9 Net Assets with Donor Restrictions (continued)

For the year ended December 31, 2024, net assets were released from donor restrictions by incurring expenses that satisfied the specified restricted purposes, as follows:

Maui Brewing CO	\$ 21,861
Stable RD Foundation Fund	571,683
GEM Modular Homes	10,056,426
Trilogy Fund	207,881
GEM RAP	9,781,709
GEM TANF	176,562
Hawaii Construction	444,561
MENA Ops	1,310,689
Flew The Coop Fund	52,613
GEM HCI Canada	353,263
GEM LATAM Ops	159,490
GEM Israel Fund	122,972
UA Community Rebuild	204,343
Israel Gaza War	1,250,235
Hurricane Beryl Fund	702,367
GEM HB Special Projects	1,769,876
Ukraine Operational Reserve	184,315
Ukraine HGBF Ops	76,161,812
US Tornadoes Disaster Fund	6,000
Haiti Educational Fund	171,863
GEM Asia	49,085
GEM NC Small Business Fund	352,809
Sacred Amazonia	60,482
Bstrong Initiative	16,148
GEM USA West	238,082
Miami Dade Disaster Fund	240,000
GEM AKF MOU	1,613
Hurricane Helene N. C.	79,514
Hurricane Helene-FL Ops	1,112,232
GEM Kenneth Horowitz	24,985
GEM Lahaina Pilot	283,820
Hachiko	138,259
Helene-Milton Ops.	364,491
L.A. Fires Ops	30
Total net assets released from restrictions	<u>\$ 106,672,071</u>

Note 10 Risk, Uncertainty, and Cash Concentration

At times during the year, the Organization's cash balances were in excess of the federal insured limits of \$250,000. As of December 31, 2024, the Organization's uninsured cash balance approximated \$6,800,000. However, the Organization maintains its cash with high quality financial institutions which the Organization believes limits these risks.

Note 11 DHS – RAP Housing and Modular Homes

During 2024, the Organization entered into various agreements with agencies that provided funds in which the Organization managed and acted as a vendor. The two most significant agreements amounted to approximately \$26,274,000 which have been included in the statement of activities for the year ended December 31, 2024.

GEM services under such agreements included providing temporary housing for the families affected by the fires in Maui and obtaining modular homes in order to continue to act as a responder to the various missions it services.

Note 12 In-Kind Donations

Donations are reflected as direct program costs and included at fair market value of supplies and materials required to operate the specific functions of the Organization. The in-kind donations were distributed to each mission as follows:

Note 12 In-Kind Donations (continued)

In-kind domestic

Amarillo Fires Texas	\$ 142,076
Berry Creek Fire	8,040
California Fires	288,673
California Floods	2,498,293
California Wildfires	27,240
Community Impact	59,290,479
Florida State	1,094,250
Florida Tornadoes	412,259
Hamptons NY	20,906
Hurricane Beryl-US	84,390
Hurricane Debbie	42,500
Hurricane Francine	53,889
Hurricane Helene	2,875,332
Hurricane Milton	6,776,423
Park Fire	645,643
Temple Apts Fire	11,089
TN Water Emergency	3,804
Tribal Impact	386,704
US TORNADOS	60,889
Total in-kind domestic	<u>74,722,879</u>

In-kind foreign

Brazil Floods	184,901
Haiti	6,291
Hurricane Beryl - Barbados	146,053
Hurricane Beryl - Grenada	55,176
Hurricane Beryl - Jamaica	191,253
Hurricane Beryl - Saint Vincent/Grenadines	498,281
Israel Civilian Relief	585,243
Mena	571,411
Palestine Civilian Relief	73,527
Ukraine War	1,818,044
Total in-kind foreign	<u>4,130,180</u>
Total	<u><u>\$ 78,853,059</u></u>

Note 13 Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2024, reduced by the amounts not available for general use within one year of the statement of financial position because of contractual or donor-imposed restrictions or internal designations.

Current assets, excluding non-financial assets	\$ 33,050,106
Less: donor restrictions for specific purposes	<u>12,164,796</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 20,885,310</u></u>

Note 14 Subsequent Events

Subsequent events have been evaluated through November 19, 2025, which is the date the financial statements were available to be issued.

Supplementary Information

Global Empowerment Mission, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2024

State Grantor/ Pass-Through Grantor/ Program Title	CSFA Number	Grantor's Number	State Funded Expenditures
<u>State of Florida - Executive Office of the Governor:</u>			
First Responders to Disasters Project	31.082	T0344	\$ 829,686
			<u>\$ 829,686</u>

* No amounts were passed through to subrecipients

Global Empowerment Mission, Inc.
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2024

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (“the Schedule”) includes the state projects activity of Global Empowerment Mission, Inc. under programs for the state for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements Chapter 10.650, *Rules of the Auditor General*.

Note 2 Summary of 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 Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Reporting Section



**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of
Global Empowerment Mission, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Global Empowerment Mission, Inc. ("the Organization"), which comprise the statement of financial position as of December 31, 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 November 19, 2025.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ZOMMA Group, LLP

Coral Gables, Florida
November 19, 2025



**Independent Auditor's Report on Compliance for Each
State Project on Internal Control Over Compliance
Required by Chapter 10.650, Rules of the Auditor General**

To the Board of Directors of
Global Empowerment Mission, Inc.

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Global Empowerment Mission, Inc. ("the Organization"), compliance with the types of compliance requirements identified as subject to audit in the Department of Financial Services' *State Project Compliance Supplement*, that could have a direct and material effect on each of the Organization's major state projects for the year ended December 31, 2024. The Organizations' major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 state projects for the year ended December 31, 2024.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards 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 Organization 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 state project. Our audit does not provide a legal determination of the Organization'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 Organizations' state projects.

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 Organizations' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General* 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 Organizations' compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General*, 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 Organizations' 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 Organizations' 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 Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

ZOMMA Group, LLP

Coral Gables, Florida

November 19, 2025

Global Empowerment Mission, Inc.
Schedule of Findings and Questioned Costs
Summary of Auditor's Results

Part I – Summary of Auditor's Results

Financial Statements Section

The auditor's report expresses an unmodified opinion on whether the financial statements were prepared in accordance with U.S GAAP.

Type of auditor's report issued (unmodified, qualified adverse, or disclaimer)

Unmodified

Internal control over financial reporting:

Material weaknesses(es) identified?

_____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses?

_____ Yes X None reported

Noncompliance material to the schedule noted?

_____ Yes X No

State Projects Section

Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse, or disclaimer)

Unmodified

Internal control over major programs:

Material weaknesses(es) identified?

_____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses?

_____ Yes X None reported

Any audit findings disclosed that are not required to be reported in accordance with Chapter 10.650, Rules of the Auditor General?

_____ Yes X No

Part I – Summary of Auditor's Results (continued)

State Projects Section (continued)

Identification of major State projects:

<u>CSFA Number</u>	<u>Name of State Project</u>
31.082	First Responders to Disasters Project

Dollar threshold used to distinguish between Type A and Type B State Projects:

State Financial Assistance \$ 300,000

- There were no items relating to State Financial Assistance required to be reported in a management letter.

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violation of provisions of contracts and grant agreements, and abuse related to the Schedule that require reporting in a Chapter 10.650, *Rules of the Auditor General* and *Government Auditing Standards* audit.

- **No matters were reported.**

Part III – State Awards Findings and Questioned Cost Section

This section identifies the audit findings required to be reported by the Florida Statute Section 215.97(8)(i) and Chapter 10.650, *Rules of the Auditor General* (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving state financial assistance that are material to a major State project.

- **No matters were reported.**