SOLID GROUND AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Solid Ground and Subsidiary
White Bear Lake, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Solid Ground (a non-profit corporation) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Solid Ground and Subsidiary as of December 31, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Solid Ground 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Solid Ground's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated 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 consolidated 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 Solid Ground'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Solid Ground'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.

Harrington Langer & Associates

May 8, 2023

SOLID GROUND AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022

		Amount
ASSETS		
Cash and cash equivalents	$	677,332
Investments		2,855,986
Accounts receivable		12,915
Contributions receivable		139,586
Current portion of promises to give		109,727
Prepaid expenses and deposits		135,171
TOTAL CURRENT ASSETS		3,930,717
RESTRICTED ASSETS		
Tenant security deposits		51,444
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Real estate tax and insurance escrow		(3,875)
Replacement reserve		7,863
Operating deficit reserve		(10)
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVES		3,978
PROPERTY AND EQUIPMENT, at cost		
Building and leasehold improvements		4,035,041
Furniture and equipment		801,964
Land		577,500
Land improvements		209,603
Construction in progress		6,525
Less: accumulated depreciation		(2,234,272)
TOTAL PROPERTY AND EQUIPMENT, net		3,396,361
OTHER ASSETS		
Investments - beneficial interest in assets held by The Saint Paul Foundation		530,363
Promises to give, net of current portion, discounts and and allowances of $37,795		232,888
Operating lease right-of -use		47,039
TOTAL OTHER ASSETS		810,290
TOTAL ASSETS	$	8,192,790

See notes to consolidated financial statements

	Amount
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 199,783
Prepaid rent	4,699
Operating lease liabilities, current portion	20,041
Insurance deposit	359,133
TOTAL CURRENT LIABILITIES	583,656
TENANT SECURITY DEPOSITS	43,539
LONG-TERM LIABILITIES	
Forgiveable grant	114,000
Operating lease liabilities, net of current portion	27,271
Long-term mortgage and notes payable	1,774,924
Deferred interest	315,219
TOTAL LONG-TERM LIABILITIES	2,231,414
TOTAL LIABILTIES	2,858,609
NET ASSETS	
Without donor restrictions	
Board designated	3,247,108
Undesignated	931,689
Total without donor restrictions	4,178,797
With donor restrictions	1,155,384
TOTAL NET ASSETS	5,334,181
TOTAL LIABILITIES AND NET ASSETS	$ 8,192,790

SOLID GROUND AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Corporate and foundation grants	$ 439,446	$ 542,500	$ 981,946
Contributions	110,671	152,247	262,918
United Way support	175,250	-	175,250
Government grants and contributions	729,789	-	729,789
Special event, net of direct expenses of $72,739	342,349	124,388	466,737
Program services and other	11,727	-	11,727
Interest income	3,900	-	3,900
Investment loss, net	(227,850)	-	(227,850)
In-kind contributions	91,235	-	91,235
Rental income	591,022	-	591,022
Other revenue	19,999	-	19,999
Net assets released from restrictions	448,856	(448,856)	-
TOTAL REVENUE AND SUPPORT	2,736,394	370,279	3,106,673
EXPENSES			
Program services	2,952,514	-	2,952,514
Management and general	77,772	-	77,772
Fundraising	295,278	-	295,278
TOTAL EXPENSES	3,325,564	-	3,325,564
CHANGE IN NET ASSETS	(589,170)	370,279	(218,891)
Distributions	(104,191)	-	(104,191)
NET ASSETS, BEGINNING	4,872,158	785,105	5,657,263
NET ASSETS, ENDING	$ 4,178,797	$ 1,155,384	$ 5,334,181

See notes to consolidated financial statements

SOLID GROUND AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	Amount
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (218,891)
Adjustment to reconcile net income	
to net cash provided by operating activities:	
Depreciation	163,242
Bad debt	(30,073)
Interest and dividends reinvested	(106,004)
Unrealized and realized investment (gains) losses, net	336,203
Grant and loans payable forgiveness	(38,000)
Deferred interest	17,832
Amortization of debt issuance costs	672
Decrease (increase) in:	
Accounts and contributions receivable	259,186
Promises to give receivable	(84,741)
Prepaid expenses and deposits	(13,037)
Increase (decrease) in:	
Accounts payable and accrued expenses	(91,737)
Prepaid rent	(3,455)
Security deposits, net	(1,648)
Insurance deposit	359,133
NET CASH PROVIDED BY OPERATING ACTIVITIES	548,682
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(48,433)
Purchase of investments	(420,000)
Proceeds from sale of investments	200,000
NET CASH USED IN INVESTING ACTIVITIES	(268,433)
CASH FLOWS FROM FINANCING ACTIVITIES	
Distributions	(104,191)
INCREASE IN CASH AND CASH EQUIVALENTS	176,058
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	556,695
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 732,753

See notes to consolidated financial statements

SOLID GROUND AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	East Metro Place	Home Again & Home Safe	Home Front	Home2Stay	Homework Starts with Home	Total Program Services	Management and General	Fund-raising	Total 2022
Salaries	$ 459,127	$ 248,430	$ 72,521	$ 90,219	$ 354,121	$ 1,224,418	$ 58,201	$ 208,733	$ 1,491,352
Payroll taxes	34,811	22,527	5,364	6,268	26,587	95,557	4,261	15,619	115,437
Fringe benefits	29,590	18,394	4,814	10,957	23,745	87,500	3,433	19,031	109,964
Workers compensation	3,177	1,701	509	763	1,946	8,096	377	790	9,263
Total personnel expenses	526,705	291,052	83,208	108,207	406,399	1,415,571	66,272	244,173	1,726,016
Professional services	20,853	3,361	965	1,502	3,575	30,256	2,279	2,037	34,572
Contract services	70,694	10,216	2,986	4,455	14,440	102,791	3,970	25,464	132,225
Family assistance accounts	29,092	21,544	4,321	84,159	48,753	187,869	13	27	187,909
Family development funds	-	2,000	-	-	-	2,000	-	-	2,000
Office and program supplies	7,895	1,255	392	520	1,247	11,309	288	969	12,566
Telephone and internet	9,376	4,585	1,353	1,772	5,839	22,925	724	1,603	25,252
Printing & publication	1,567	851	226	331	1,032	4,007	157	3,380	7,544
Travel, meetings, and moving	4,553	3,329	1,304	525	3,476	13,187	214	1,070	14,471
Staff and board development	5,676	4,054	1,034	1,080	2,826	14,670	454	979	16,103
Memberships	869	403	119	182	457	2,030	84	174	2,288
Insurance and licensing	37,884	5,746	1,657	2,572	6,179	54,038	1,317	2,778	58,133
Rent, utilities, and maintenance	462,906	6,333	1,827	2,836	6,815	480,717	1,452	3,062	485,231
In-kind rents	-	-	22,176	-	-	22,176	-	-	22,176
In-kind direct assistance	26,617	14,676	4,340	6,575	16,852	69,060	-	-	69,060
Leasing subsidies	4,575	149,679	-	117,509	26,810	298,573	-	-	298,573
Office and program equipment	3,024	1,615	473	817	2,022	7,951	250	552	8,753
Family and youth activities	4,884	408	124	166	450	6,032	-	-	6,032
Evaluation	642	355	101	158	377	1,633	-	-	1,633
Miscellanous	3,208	-	-	-	-	3,208	-	-	3,208
Special events	-	-	-	-	-	-	-	72,739	72,739
Depreciation	151,767	3,247	930	1,451	3,456	160,851	298	2,093	163,242
Bad debts	23,156	-	-	-	-	23,156	-	6,917	30,073
Other interest	18,504	-	-	-	-	18,504	-	-	18,504
Total Expenses by Function	1,414,447	524,709	127,536	334,817	551,005	2,952,514	77,772	368,017	3,398,303
Less expenses included with revenues on the statement of of activities									
Special events	-	-	-	-	-	-	-	(72,739)	(72,739)
Total expenses	$ 1,414,447	$ 524,709	$ 127,536	$ 334,817	$ 551,005	$ 2,952,514	$ 77,772	$ 295,278	$ 3,325,564

See notes to consolidated financial statements

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The mission of Solid Ground is to prevent and end homelessness for families with children through housing, resources, and opportunity. The purpose is to advocate, provide, and coordinate housing and services for families in transition and working towards self-sufficiency in the St. Paul, Minnesota metro area.

EMP Limited Partnership d/b/a East Metro Place (the Partnership) was formed on March 5, 2003 under the laws of the State of Minnesota. The Partnership is a 35-unit, one building (1 - 1 bedroom; 16 -2 bedroom; 16 - 3 bedroom; and 2- 4 bedroom) low-income affordable housing complex located at 3521 Century Avenue North, White Bear Lake, Minnesota. All of the units are tax credit units. Fourteen of these units were newly constructed in 2005. Twenty-one of the units were constructed in 1993 and rehabilitated in 2005. The Partnership is restricted by land use covenants and its low-income housing compliance is monitored by the Minnesota Housing Finance Agency (MHFA).

During 2005 and 2006 Solid Ground participated in the development of EMP Limited Partnership. Solid Ground was a Co-General Partner in the Partnership and owned a .05% interest. Effective May 1, 2021, the Limited Partners assigned their 99.9% interest in the Partnership to Solid Ground EMP LLC, for consideration outlined in the Assignment of Limited Partner Interest agreement. Solid Ground EMP LLC, is a Minnesota limited liability company, wholly owned by Solid Ground. Effective December 31, 2021, DDC EMP, LLC (a Co-General Partner in the Partnership) assigned their .05% interest to Solid Ground, for consideration outlined in the Assignment of General Partnership Interest agreement.

The ownership of the Partnership as of December 31, 2022, is as follows:

General partner - .01% Solid Ground
Limited partner - 99.99% Solid Ground EMP, LLC

Basis of Consolidation:

The assets, liabilities, net assets, revenues and expenses of Solid Ground and its wholly owned subsidiary, EMP Limited Partnership, have been consolidated as Solid Ground and Subsidiary (the Organization). All significant intercompany transactions have been eliminated in consolidation.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation:

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US 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.

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 consolidated statements of activities.

Estimates:

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

Revenue Recognition:

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. State and county grants and contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2022, Solid Ground had conditional promises to give of approximately $497,819, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued):

Contributions received, grants awarded, and other unconditional promises-to-give are measured at their fair values and are reported as an increase in net assets with donor restrictions if they are received with donor or grantor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor or grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Solid Ground recognizes revenue from exchange transactions, primarily from agreements to provide supportive services and property management, as the services are provided to the client. These amounts are included in program services. Special event revenue is recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference.

The Partnership recognizes rental income on a straight-line basis over the terms of the leases (normally one year on residential leases).

Cash and Cash Equivalents:

For the purpose of the consolidated statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, except those classified as investments. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

The Partnership adopted ASU 2016-18, which requires that restricted cash and cash equivalents be included in the beginning and ending cash and cash equivalents in the consolidated statement of cash flows.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued):

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statement of financial position that sum to the total in the consolidated statement of cash flows as of December 31, 2022:

	Amount
Cash and cash equivalents	$ 677,332
Restricted cash:	
Tenant security deposits	51,444
Real estate tax and insurance escrow	(3,875)
Replacement reserve	7,863
Operating deficit reserve	(10)
Total cash, cash equivalents and restricted as shown in the statement of cash flows	$ 732,754

Investments:

Investments primarily consist of money market funds, debt and equity securities and beneficial interest in assets held by The Saint Paul Foundation and are valued at fair value. Donated investments are recorded at fair value on the date of donation. Investment expenses are not included in investment income. Dividends are recorded on an ex-dividend date.

Accounts Receivable and Contributions Receivable:

Accounts and contributions receivable are stated at the amount management expects to collect from outstanding balances. Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. For the year ended December 31, 2022, management provided an allowance for doubtful accounts of $9,460.

Promises to Give:

Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met. At December 31, 2022, the Organization had $150,000 conditional promises to give in the form of measurable performance related or other barriers and right of return that have not been reflected on the accompanying financial statements. The conditional contribution is related to the funding of EMP capital projects.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give (continued):

Promises to give are contributions that are to be collected in future years and are recorded at net present value based on a discounted cash flow rate which approximates the Federal Reserve five-year Treasury bill. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Organization uses the allowance method to determine uncollectible promises to give based on prior years' experience and management's analysis.

Outstanding promises to give from various individuals at December 31, 2022 were as follows:

	Amount
Promises to give due in:	
Less than one year	$ 88,843
One to five years	296,587
	385,430
Less: allowance for uncollectible promises	(28,543)
Less: discount to net present value	(14,272)
Net promises to give	$ 342,615

Property and Equipment:

All major expenditures for property and equipment are capitalized at cost. Equipment and other assets received as donations are recorded and reflected in the accompanying consolidated financial statements at their fair values at the date they are received. Depreciation is provided on the straight-line method over the estimated useful lives of the underlying assets.

Impairment of Long-Lived Assets:

The Organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes:

Solid Ground has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes. Solid Ground is classified as an organization that is not a private foundation and charitable contributions by donors are tax deductible.

EMP Limited Partnership is treated as a disregarded entity for income tax purposes. Accordingly, the revenues and expenses are included in Solid Ground tax returns. Affordable housing tax credits under Section 42 of the Internal Revenue Code are recognized as earned for tax return purposes, on a straight-line basis generally over the ten years following completion and occupancy of the related affordable housing projects. Credits could be subject to recapture if low-income use is not maintained continuously during the terms of the compliance period. Any interest or penalties would be included in operating expenses in the accompanying consolidated financial statements. No interest or penalties are reflected in the consolidated financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Functional Expenses:

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to program support costs based on management's analysis and estimates of direct personnel hours and labor-related costs. These estimates are revised by management, as necessary, to reflect the current state of the Organization and to provide accurate expense allocations.

Other Concentrations:

The Partnership's sole asset is EMP Limited Partnership (d/b/a East Metro Place). The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, MHFA. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by MHFA.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Concentrations (continued):

The Partnership's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital.

Subsequent Events:

In preparing these consolidated financial statements, Solid Ground has evaluated events and transactions for potential recognition for disclosure through May 8, 2023, the date the financial statements were available to be issued.

Debt Issuance Costs:

Debt issuance costs totaling $20,159 were incurred in obtaining the Partnership's first mortgage. These costs are being amortized using the straight-line method over the life of the financing of 30 years. Accumulated amortization totaled $11,928 at December 31, 2022.

Future amortization is as follows:

Year Ending December 31,	Amount
2023	$ 672
2024	672
2025	672
2026	672
2027	672
Thereafter	4,871
	$ 8,231

Debt issuance costs, net of accumulated amortization, are reported as a reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements:

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, descriptions of programs or activities in which the assets were used, and if monetized, a policy about monetizing rather than utilizing the asset(s). The Organization has implemented Topic 958 and have adjusted the presentation in these financial statements accordingly.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of $79,935 of operating lease right-of-use (ROU) assets and a total of $79,935 of current and long-term operating lease liabilities on the consolidated statement of financial position as of January 1, 2022. No cumulative effect adjustment to net assets as of January 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended December 31, 2022.

As part of the transition, the Organization implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients.

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements (continued):

Other practical expedients:

- Election not to record ROU assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than one month. Leases of one month or less are not included in short-term lease costs.

Leases:

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

Beginning January 1, 2022, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

Lease Liabilities:

A lease liability is measured on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rates of the Organization’s leases are not readily determinable; accordingly, the Organization has made the election to use a risk-free rate in lieu of its incremental borrowing rate using a period comparable with that of the individual lease term based on the information available at the commencement date for each lease. For existing leases at implementation date of ASC 842, the risk-free rate used is the rate comparable with the remaining lease term as of the implementation date.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

ROU Assets:

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the term of the lease. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Accounting Policy Election for Short-term Leases:

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

NOTE 2. RESTRICTED ESCROW DEPOSITS AND FUNDED RESERVES

In accordance with terms of the mortgage and other (MHFA) regulatory agreements, the Partnership is required to make monthly and periodic payments to various escrows and reserve funds:

Real estate tax and insurance escrows with monthly deposits determined and held by MHFA. Disbursements made by MHFA:

	Amount
Beginning of year	$ 11,793
Deposits	52,711
Interest earned	244
Withdrawals	(68,623)
	$ (3,875)

Reserve for replacements to be funded by required monthly deposits at a level set by the MHFA and is held by the MHFA. Distributions from the reserve require authorization by MHFA.

	Amount
Beginning of year	$ 15
Deposits	21,427
Interest earned	202
Withdrawals	(13,781)
	$ 7,863

Any balances remaining in any escrow or reserve are refundable to the Partnership upon repayment in full of the MHFA indebtedness.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2022:

	Amount
Financial assets at year-end:	
Cash and cash equivalents	$ 677,332
Accounts receivable	12,915
Contributions receivable	139,586
Promises to give, net	342,615
Investments	3,386,349
Total financial assets	4,558,797
Less amounts not available to be used within one year:	
Net assets with donor restrictions	1,155,384
Endowment established by the board	530,363
Designated net assets	2,716,745
Long term promises to give, net	253,772
Less net assets with restrictions to be met in less than one year	
Net assets with donor restrictions	(1,155,384)
Board operating reserve	(1,211,501)
	2,289,379
Financial assets available to meet general expenditures over the next twelve months	$ 2,269,418

The Organization's goal is generally to maintain financial assets to meet 4-6 months of operating expenses. As part of its liquidity plan, excess cash is invested.

NOTE 4. INVESTMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for when Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

NOTE 4. INVESTMENTS (continued)

Following is the description of the valuation methodologies used for investments measured at fair value at a recurring basis. There were no changes in the valuation methodologies.

- *Mutual funds:* Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.
- *Corporate bonds:* Valued on yield currently available on comparable securities of issues with similar credit ratings.
- *Mortgage back securities issued by federal agencies:* Valued using quoted market prices, recent marked transaction and spread data from similar instruments.
- *Beneficial interest in assets held by The Saint Paul Foundation (community foundation):* funds are invested in a diversified portfolio of marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets at the foundation is measured at fair value using Level 1 and Level 2 inputs. Solid Ground's ownership in such investments is represented by an undivided interest in investment portfolios managed by the foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements. See Note 14 for the change in value of these Level 3 investments.

A summary of the fair values of investments by type at December 31, 2022, is as follows:

	Amount
Mortgage backed securities issued by various federal government agencies	$ 637,645
Corporate bonds	1,499,850
Mutual funds	279,745
Cash and cash equivalents	438,746
Beneficial interest in assets held by The Saint Paul Foundation	530,363
Total investments	$ 3,386,349

NOTE 5. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2022:

	Amount
Mortgage - MHFA Affordable Housing Investment Fund (ARIF) program with simple interest 1% per annum, principal and interest due April 18, 2035, secured by mortgage on the Project. (Deferred interest of $165,293 at 2022).	$ 933,496
Note Payable - Ramsey County HRA, with simple interest 1% per annum principal and interest due April 30, 2035, secured by mortgage on the Project. (Deferred interest of $64,074 at 2022).	361,857
Note Payable - Ramey County HRA, with simple interest 1% per annum principal and interest due April 30, 2035, secured by mortgage on the Project. (Deferred interest of $42,496 at 2022).	240,000
Note Payable - Ramsey County HRA, with simple interest 1% per annum principal and interest due November 30, 2035, secured by mortgage on the Project. (Deferred interest of $16,789 at 2022).	97,802
Note Payable - Family Housing Fund, with simple interest 1% per annum principal and interest due April 18, 2035, secured by mortgage on the Project. (Deferred interest of $26,567 at 2022).	150,000
	1,783,155
Less: unamortized debt issuance costs	(8,231)
Net long-term debt	1,774,924

NOTE 5. LONG-TERM DEBT (continued)

Amortization of debt issuance costs of $672 for the year ended December 31, 2022 is reported as interest expense in the consolidated statement of functional expenses. Interest expense of $18,504 is reported in the consolidated statement of functional expenses for the year ended December 31, 2022.

Maturities of long-term debt are as follows:

Year Ending December 31,	Amount
2023	$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	1,774,924
	$ 1,774,924

The mortgages place certain restrictions on the operation of the Partnership and cash distributions. Among other restrictions, the mortgages require that lenders approve rental increases, and the tenants meet income guidelines established by MHFA.

NOTE 6. BORROWING ARRANGEMENT

The Organization maintains two credit card accounts of which they can borrow up to $65,700. Advances on the credit card accrued interest at rates up to 27.99% for the year ended December 31, 2022. There were outstanding advances on these credit card accounts of $3,308, which were included in the accounts payable balance as of December 31, 2022.

NOTE 7. FORGIVABLE GRANT

Solid Ground received a capital grant from the U.S. Department of Housing and Urban Development (HUD) in 2004 with a principal amount of $380,000. This grant has a restrictive use covenant that is to be forgiven twenty years from the date of the occupancy as long as designated property continues to be used as specified in the grant. If default occurs within ten years from the date of the initial occupancy, then the full amount of the grant must be repaid. If default occurs between ten years from the date of the grant and twenty years from the date of the grant, then the full amount of the grant less ten percent thereof for each full year after the first ten years of the grant shall be repaid. Solid Ground is recognizing the forgiveness of this grant over years 11-20. During the year ended December 31, 2022, Solid Ground included $38,000 for the year as government grants and contribution income in connection with the forgiveness of this grant. As of December 31, 2022, the remaining balance of this loan is $114,000.

NOTE 8. EMERGENCY RENTAL ASSISTANCE

Due to hardships associated with Covid-19, qualifying tenants have the ability to apply for emergency rental assistance from various state and national agencies. During 2022, these agencies paid $9,567 to the Partnership to cover portions of unpaid tenant rents. If available, it is anticipated that tenants will continue to apply to these programs in 2022; this matter is ongoing, and the ultimate resolution cannot be determined at this time.

NOTE 9. IN-KIND CONTRIBUTIONS

Solid Ground recognized in-kind contributions for the year ended December 31, 2022 of the following:

	Amount
Contributed:	
Event donations	$ 36,184
Direct assistance donations	69,059
Rents	22,176
	$ 127,419

Both the revenue and expense for event donations are reported on the statement of activities as special events revenue and expense.

The Organization's success is also based in part by individuals who contributed approximately 3,566 hours of volunteer service for the years ended December 31, 2022. The accompanying financial statements do not reflect the value of these volunteer services.

NOTE 10. LEASES

The Organization leases office facilities and equipment under various long-term non-cancelable operating lease arrangements that expire through October 2024. Most leases include renewal options which can extend the lease term. The exercise of these renewal options is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

For the year ended December 31, 2022, the components of operating lease expenses, all of which is included in space and occupancy in the consolidated statement of functional expenses was $33,622.

Supplemental cash flow information for the year ended December 31, 2022:

Operating cash flows from operating leases:	$33,348
ROU assets obtained in exchange for new operating leases:	$79,935

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease terms:	1.45 Years
Weighted average discount rate:	1.17%

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

Year Ending December 31,	Amount
2023	$ 33,810
2024	13,895
Total lease payments	47,705
Less: interest	(393)
Present value of lease liability	$ 47,312

NOTE 11. RETIREMENT PLAN

The Organization offers to its employees a tax deferred 403(b) defined contribution plan. The plan covers all employees of the Organization. The Organization made $21,912 in contributions to the plan to all eligible employees for the years ended December 31, 2022.

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31, 2022:

	Amount
Purpose restricted:	
Youth	$ 12,295
Homework starts at home	40,078
Home front	3,333
Direct assistance	20,324
Educational scholarships	3,290
EMP	842,174
Time restricted - pledges	233,890
	$ 1,155,384

Net assets released from net assets with donor restrictions are as follows:

	Amount
Satisfaction of Purpose Restrictions:	
Youth	$ 6,096
Homework starts at home	21,487
Home again	31,667
Home front	87,020
Direct assistance	51,267
EMP	29,800
Time restricted - pledges	221,519
	$ 448,856

NOTE 13. BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board designated unrestricted net assets consisted of the following at December 31, 2022:

	Amount
Operating reserve	$ 1,211,501
Day One Fund	777,648
Affordable housing project	700,000
Unemployment trust	27,596
Board-designated endowment fund	530,363
	$ 3,247,108

NOTE 14. BOARD-DESIGNATED ENDOWMENT FUND

The Solid Ground's board of directors approved a resolution to establish the Solid Ground Endowment Fund ("Fund") as a board-designated endowment fund. According to the resolution the purpose of the endowment is to secure long term and stable support for the Organization, enhance the Organization's ability to carry out its exempt purposes to prevent and end homelessness, provide donors with an additional way to give to the Organization, and to provide funds to improve the Organization's facilities and services.

Beneficial interest in assets held by The Saint Paul Foundation

During 2015 Solid Ground transferred $250,000 of its unrestricted net assets to The Saint Paul Foundation ("Foundation"). According to the Organization's *Agreement Establishing the Solid Ground Fund under the Plan for the Saint Paul Foundation* ("Agreement"), the Saint Paul Foundation will administer the Fund and has ultimate authority and control over the Fund and all distributions from the Fund. The Saint Paul Foundation will distribute to Solid Ground the Fund's net income or principal or both as determined by the spending policy adopted by The Saint Paul Foundation. Upon the request of Solid Ground, The Saint Paul Foundation may, in its discretion, distribute principal of the Fund to Solid Ground. It is the general intent of the Agreement that the Fund be administered as an endowment fund except to the extent The Saint Paul Foundation determines that the long-term interests of Solid Ground and the community would be better served by a distribution of principal from the Fund.

The Foundation's Investment and Spending Policies:

The Foundation has adopted investment and spending policies for endowment assets that seek to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. Actual returns in any given year may vary from this amount.

NOTE 14. BOARD-DESIGNATED ENDOWMENT FUND (continued)

To achieve its investment objectives over long periods of time, the Foundation has adopted an investment strategy that invests in domestic equities, international equities, private capital, fixed income, real assets and absolute return strategies. The majority of assets are invested in equity or equity like securities. Fixed income, real assets and absolute return strategies are used to lower short-term volatility. Diversification by asset class, investment style, investment manager, etc. is employed to avoid undue risk concentration and enhance total return. The primary performance objective is to achieve an annualized total rate of return, net of investment fees, that is equal to or greater than the Foundation's spending policy payout rate plus inflation over long periods of time.

The spending policy determines the amount of money in a given year that will be distributed from the Foundation's various endowment assets, which includes donor advised, nonprofit, designated, scholarship, community, field of interest and unrestricted.

The current spending policy is to distribute an amount equal to 5.25% of a moving twenty-one quarter average but not less than 4.5% or greater than 6.0% of current market value. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment assets to grow at the rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets and seek to maximize the amount available to meet the charitable needs of communities.

Changes in the beneficial interest in assets held by The Saint Paul Foundation for the year ending December 31, 2022, consist of the following:

	Amount
Beginning of the year	$ 567,070
Investment return:	
Contributions	20,000
Investment income	8,797
Net appreciation, realized and unrealized	(60,571)
Investment expenses	(4,933)
End of the year	$ 530,363

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATING SUPPLEMENTARY INFORMATION

To the Board of Directors
Solid Ground and Subsidiary
White Bear Lake, Minnesota

We have audited the financial statements of Solid Ground and Subsidiary as of and for the year ended December 31, 2022 and our report thereon dated May 8, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the consolidating statement of financial position, consolidating statements of activities, and consolidating statement of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidated 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Harrington Langer & Associates

May 8, 2023

SOLID GROUND AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2022

	Solid Ground	EMP	Eliminations	Total
ASSETS				
Cash and cash equivalents	$ 291,753	$ 385,579	$ -	677,332
Investments	2,855,986	-	-	2,855,986
Accounts receivable	2,520	10,395	-	12,915
Contributions receivable	139,586	-	-	139,586
Current portion of promises to give	109,727	-	-	109,727
Prepaid expenses and deposits	104,569	30,602	-	135,171
TOTAL CURRENT ASSETS	3,504,141	426,576	-	3,930,717
RESTRICTED ASSETS				
Tenant security deposits	-	51,444	-	51,444
RESTRICTED DEPOSITS AND FUNDED RESERVES				
Real estate tax and insurance escrow	-	(3,875)	-	(3,875)
Replacement reserve	-	7,863	-	7,863
Operating deficit reserve	-	(10)	-	(10)
TOTAL RESTRICTED DEPOSITS AND FUNDED RESERVE	-	3,978	-	3,978
PROPERTY AND EQUIPMENT, at cost				
Leasehold improvements	106,626	3,928,415	-	4,035,041
Furniture and equipment	197,218	604,746	-	801,964
Land	-	577,500	-	577,500
Land improvements	-	209,603	-	209,603
Construction in progress	6,525	-	-	6,525
Less: accumulated depreciation	(210,871)	(2,023,401)	-	(2,234,272)
TOTAL PROPERTY AND EQUIPMENT, net	99,498	3,296,863	-	3,396,361
OTHER ASSETS				
Investments - beneficial interest in assets held by The Saint Paul Foundation	530,363	-	-	530,363
Interest in EMP Limited Partnership	241,031	-	(241,031)	-
Promises to give, net of current portion, discounts and and allowances of $37,795	232,888	-	-	232,888
Operating lease right-of-use assets	47,039	-	-	47,039
TOTAL OTHER ASSETS	1,051,321	-	(241,031)	810,290
TOTAL ASSETS	$ 4,654,960	$ 3,778,861	$ (241,031)	$ 8,192,790

See independent auditor's report on consolidating supplementary information

	Solid Ground	EMP	Eliminations	Total
LIABILITIES, NET ASSETS, AND PARTNER'S CAPITAL				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 120,351	$ 79,432	$ -	$ 199,783
Prepaid rent	-	4,699	-	4,699
Operating lease liabilities, current portion	20,041	-	-	20,041
Insurance deposit	-	359,133	-	359,133
TOTAL CURRENT LIABILITIES	140,392	443,264	-	583,656
TENANT SECURITY DEPOSITS	-	43,539	-	43,539
LONG-TERM LIABILITIES				
Forgiveable grant and loan payable	114,000	-	-	114,000
Operating lease liabilities, net of current portion	27,271	-	-	27,271
Long-term mortgage and notes payable	-	2,299,924	(525,000)	1,774,924
Deferred interest	-	751,103	(435,884)	315,219
TOTAL LONG TERM LIABILITIES	141,271	3,051,027	(960,884)	2,231,414
TOTAL LIABILTIES	281,663	3,537,830	(960,884)	2,858,609
NET ASSETS AND PARTNER'S CAPITAL				
Without donor restrictions				
Board designated	3,247,108	-	-	3,247,108
Undesignated	(29,195)	-	960,884	931,689
Partner's capital	-	241,031	(241,031)	-
Total without donor restrictions	3,217,913	241,031	719,853	4,178,797
With donor restrictions	1,155,384	-	-	1,155,384
TOTAL NET ASSETS AND PARTNER'S EQUITY	4,373,297	241,031	719,853	5,334,181
TOTAL LIABILITIES, NET ASSETS, AND PARTNER'S EQUITY	$ 4,654,960	$ 3,778,861	$ (241,031)	$ 8,192,790

SOLID GROUND AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2022

	Solid Ground	EMP	Eliminations	Total
REVENUE AND SUPPORT				
Corporate and foundation grants	$ 969,268	$ 12,678	$ -	$ 981,946
Contributions	262,918	-	-	262,918
United Way support	175,250	-	-	175,250
Government grants and contributions	729,789	-	-	729,789
Special event, net of direct expenses of $72,739	466,737	-	-	466,737
Program services and other	11,727	-	-	11,727
Investment loss, net	(227,850)	-	-	(227,850)
In-kind contributions	91,235	-	-	91,235
Rental income	-	593,113	(2,091)	591,022
Interest income	-	3,900	-	3,900
Other revenue	-	19,999	-	19,999
TOTAL REVENUE AND SUPPORT	2,479,074	629,690	(2,091)	3,106,673
EXPENSES				
Program services	2,177,075	777,530	(2,091)	2,952,514
Management and general	77,772	-	-	77,772
Fundraising	295,278	-	-	295,278
TOTAL EXPENSES	2,550,125	777,530	(2,091)	3,325,564
CHANGE IN NET ASSETS FROM OPERATIONS	(71,051)	(147,840)	-	(218,891)
Distributions to former partners of the Partnership	(104,191)	(104,191)	104,191	(104,191)
Net loss from the Partnership	(147,840)	-	147,840	-
TOTAL CHANGE IN NET ASSETS	(323,082)	(252,031)	252,031	(323,082)
NET ASSETS, BEGINNING	4,696,379	493,062	467,822	5,657,263
NET ASSETS, ENDING	$ 4,373,297	$ 241,031	$ 719,853	$ 5,334,181

See independent auditor's report on consolidating supplementary information

SOLID GROUND AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	East Metro Place	Home Again & Home Safe	Home Front	Home2Stay	Homework Starts with Home	Total Program Services	Management and General
Salaries	$ 399,144	$ 248,430	$ 72,521	$ 90,219	$ 354,121	$ 1,164,435	$ 58,201
Payroll taxes	31,491	22,527	5,364	6,268	26,587	92,237	4,261
Fringe benefits	24,812	18,394	4,814	10,957	23,745	82,722	3,433
Workers compensation	3,177	1,701	509	763	1,946	8,096	377
Total personnel expenses	458,624	291,052	83,208	108,207	406,399	1,347,490	66,272
Professional services	7,575	3,361	965	1,502	3,575	16,978	2,279
Contract services	33,740	10,216	2,986	4,455	14,440	65,837	3,970
Family assistance accounts	29,092	21,544	4,321	84,159	48,753	187,869	13
Family development funds	-	2,000	-	-	-	2,000	-
Office and program supplies	3,251	1,255	392	520	1,247	6,665	288
Telephone and internet	7,895	4,585	1,353	1,772	5,839	21,444	724
Printing & publication	1,567	851	226	331	1,032	4,007	157
Travel, meetings, and moving	3,870	3,329	1,304	525	3,476	12,504	214
Staff and board development	5,180	4,054	1,034	1,080	2,826	14,174	454
Memberships	869	403	119	182	457	2,030	84
Insurance and licensing	10,496	5,746	1,657	2,572	6,179	26,650	1,317
Rent, utilities, and maintenance	11,732	6,333	1,827	2,836	6,815	29,543	1,452
In-kind rents	-	-	22,176	-	-	22,176	-
In-kind direct assistance	26,617	14,676	4,340	6,575	16,852	69,060	-
Leasing subsidies	6,666	149,679	-	117,509	26,810	300,664	-
Office and program equipment	3,024	1,615	473	817	2,022	7,951	250
Family and youth activities	4,884	408	124	166	450	6,032	-
Evaluation	642	355	101	158	377	1,633	-
Miscellanous	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-
Depreciation	23,284	3,247	930	1,451	3,456	32,368	298
Bad debts	-	-	-	-	-	-	-
Other interest	-	-	-	-	-	-	-
Total Expenses by Function	639,008	524,709	127,536	334,817	551,005	2,177,075	77,772
Less expenses included with revenues on the statement of of activities							
Special events	-	-	-	-	-	-	-
Total expenses	$ 639,008	$ 524,709	$ 127,536	$ 334,817	$ 551,005	$ 2,177,075	$ 77,772

See independent auditor's report on consolidating supplementary information

	Fund-raising	Eliminations	Total Solid Ground	EMP	Total EMP	Total
Salaries	$ 208,733	$ -	$ 1,431,369	$ 59,983	$ 59,983	$ 1,491,352
Payroll taxes	15,619	-	112,117	3,320	3,320	115,437
Fringe benefits	19,031	-	105,186	4,778	4,778	109,964
Workers compensation	790	-	9,263	-	-	9,263
Total personnel expenses	244,173	-	1,657,935	68,081	68,081	1,726,016
Professional services	2,037	-	21,294	13,278	13,278	34,572
Contract services	25,464	-	95,271	36,954	36,954	132,225
Family assistance accounts	27	-	187,909	-	-	187,909
Family development funds	-	-	2,000	-	-	2,000
Office and program supplies	969	-	7,922	4,644	4,644	12,566
Telephone and internet	1,603	-	23,771	1,481	1,481	25,252
Printing & publication	3,380	-	7,544	-	-	7,544
Travel, meetings, and moving	1,070	-	13,788	683	683	14,471
Staff and board development	979	-	15,607	496	496	16,103
Memberships	174	-	2,288	-	-	2,288
Insurance and licensing	2,778	-	30,745	27,388	27,388	58,133
Rent, utilities, and maintenance	3,062	-	34,057	451,174	451,174	485,231
In-kind rents	-	-	22,176	-	-	22,176
In-kind direct assistance	-	-	69,060	-	-	69,060
Leasing subsidies	-	(2,091)	298,573	-	-	298,573
Office and program equipment	552	-	8,753	-	-	8,753
Family and youth activities	-	-	6,032	-	-	6,032
Evaluation	-	-	1,633	-	-	1,633
Miscellanous	-	-	-	3,208	3,208	3,208
Special events	72,739	-	72,739	-	-	72,739
Depreciation	2,093	-	34,759	128,483	128,483	163,242
Bad debts	6,917	-	6,917	23,156	23,156	30,073
Other interest	-	-	-	18,504	18,504	18,504
Total Expenses by Function	368,017	(2,091)	2,620,773	777,530	777,530	3,398,303
Less expenses included with revenues on the statement of of activities						
Special events	(72,739)	-	(72,739)	-	-	(72,739)
Total expenses	$ 295,278	$ (2,091)	$ 2,548,034	$ 777,530	$ 777,530	$ 3,325,564