CONSOLIDATED FINANCIAL STATEMENTS

SOLID GROUND
WHITE BEAR LAKE, MINNESOTA

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Solid Ground
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December 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Solid Ground
White Bear Lake, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Solid Ground, which comprise the consolidated statements of financial position of Solid Ground and Solid Ground EMP LLC, as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Solid Ground as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Solid Ground and Solid Ground EMP LLC, 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 and Solid Ground EMP LLC'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Abdo

Abdo
Minneapolis, Minnesota
May 15, 2025

CONSOLIDATED FINANCIAL STATEMENTS

Solid Ground

Consolidated Statements of Financial Position

December 31, 2024 and 2023

Assets	2024	2023
Current Assets		
Cash and cash equivalents	$ 848,820	$ 757,967
Other receivable	125,000	-
Rent receivable	38,226	33,944
Grants receivable, net	408,446	430,080
Promises to give, current portion	238,874	40,956
Other current assets	113,154	122,881
Total Current Assets	1,772,520	1,385,828
Property and Equipment		
Land	577,500	577,500
Land improvements	211,938	211,938
Buildings and improvements	6,670,742	4,135,523
Furniture and fixtures	369,252	817,574
Construction in progress	-	161,320
Total Property and Equipment, Cost	7,829,432	5,903,855
Less: Accumulated Depreciation	(2,029,877)	(2,392,493)
Total Property and Equipment, Net	5,799,555	3,511,362
Noncurrent Assets		
Promises to give, net of current portion	268,144	342,567
Operating right-of-use assets	31,919	13,766
Investments	2,545,563	2,602,850
Endowment	610,538	569,157
Total Noncurrent Assets	3,456,164	3,528,340
Total Assets	$ 11,028,239	$ 8,425,530

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Solid Ground
Consolidated Statements of Financial Position (Continued)
December 31, 2024 and 2023

Liabilities	2024	2023
Current Liabilities		
Accounts payable	$ 201,766	$ 140,875
Accrued liabilities	228,680	358,302
Current portion of operating lease liabilities	8,498	13,851
Deferred revenue	3,274	2,431
Tenant security deposits	58,348	40,188
Total Current Liabilities	500,566	555,647
Noncurrent Liabilities		
Forgivable note payable	38,000	76,000
Operating lease liabilities, net of current portion	23,589	-
Long-term mortgage and notes payable, net of deferred financing cost of $6,887 and $7,559 in 2024 and 2023, respectively	1,776,268	1,775,596
Accrued interest	350,879	333,049
Total Noncurrent Liabilities	2,188,736	2,184,645
Total Liabilities	2,689,302	2,740,292
Net Assets		
Without donor restrictions:		
Board designated	3,259,943	2,515,605
Undesignated	3,221,477	1,582,152
Total without donor restrictions	6,481,420	4,097,757
With donor restrictions	1,857,517	1,587,481
Total Net Assets	8,338,937	5,685,238
Total Liabilities and Net Assets	$ 11,028,239	$ 8,425,530

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Solid Ground

Consolidated Statements of Activities

For the Years Ended December 31, 2024 and 2023

	2024		
	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Support			
Corporate and foundation grants	$ 701,550	$ 2,725,519	$ 3,427,069
Contributions	235,209	96,581	331,790
United Way	168,504	-	168,504
Government grants	2,507,071	-	2,507,071
Special events, net of direct benefits to donors of $73,772	442,119	-	442,119
In-kind contributions	158,973	-	158,973
Total Support	4,213,426	2,822,100	7,035,526
Revenue			
Rental income	803,874	-	803,874
Investment income	249,568	-	249,568
Program services	22,526	-	22,526
Gain (loss) on disposal of fixed assets	(70,519)	-	(70,519)
Total Revenue	1,005,449	-	1,005,449
Net Assets Released From Restrictions	2,552,064	(2,552,064)	-
Total Revenues and Support	7,770,939	270,036	8,040,975
Expenses			
Program services	4,225,931	-	4,225,931
Management and general	732,739	-	732,739
Fundraising	428,606	-	428,606
Total Expenses	5,387,276	-	5,387,276
Change in Net Assets	2,383,663	270,036	2,653,699
Net Assets, Beginning	4,097,757	1,587,481	5,685,238
Net Assets, Ending	$ 6,481,420	$ 1,857,517	$ 8,338,937

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Solid Ground
Consolidated Statements of Activities (Continued)
For the Years Ended December 31, 2023

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Support			
Corporate and foundation grants	$ 565,761	$ 625,000	$ 1,190,761
Contributions	308,340	31,470	339,810
United Way	140,800	-	140,800
Government grants	1,701,532	-	1,701,532
Special events, net of direct benefits to donors of $88,471	296,867	-	296,867
In-kind contributions	132,199	-	132,199
Total Support	3,145,499	656,470	3,801,969
Revenue			
Rental income	667,155	-	667,155
Investment income	228,952	-	228,952
Program services	25,727	-	25,727
Other income	18,350	-	18,350
Total Revenue	940,184	-	940,184
Net Assets Released From Restrictions	224,373	(224,373)	-
Total Revenue and Support	4,310,056	432,097	4,742,153
Expenses			
Program services	3,889,364	-	3,889,364
Management and general	192,096	-	192,096
Fundraising	309,636	-	309,636
Total Expenses	4,391,096	-	4,391,096
Change in Net Assets	(81,040)	432,097	351,057
Net Assets, Beginning	4,178,797	1,155,384	5,334,181
Net Assets, Ending	$ 4,097,757	$ 1,587,481	$ 5,685,238

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Solid Ground
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2024

	Program Services									Supporting Services			
	East Metro Place	Home Again & Home Safe	Home Front	Ramsey County Prevention	Washington County Prevention	Washington County CLI	Welcome Home Washington	Homework Starts with Home	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total Expenses
Salaries and wages	$ 366,930	$ 227,880	$ 37,122	$ 90,426	$ 36,392	$ 25,330	$ 72,553	$ 238,049	$ 1,094,682	$ 398,763	$ 211,291	$ 610,054	$ 1,704,736
Employee benefits	30,438	12,759	4,177	4,486	1,434	770	3,594	26,321	83,979	23,790	23,531	47,321	131,300
Payroll taxes	31,677	21,260	2,736	6,872	3,162	1,925	5,485	24,802	97,919	29,108	15,401	44,509	142,428
Total Personnel Expenses	429,045	261,899	44,035	101,784	40,988	28,025	81,632	289,172	1,276,580	451,661	250,223	701,884	1,978,464
Rental assistance	1,385	224,450	651	714,963	244,993	297,064	35,826	93,559	1,612,891	-	-	-	1,612,891
Professional fees and consulting	245,399	19,392	7,428	8,217	5,399	2,309	20,129	49,219	357,492	221,198	62,124	283,322	640,814
Occupancy	444,078	3,066	1,460	1,289	662	172	1,606	5,763	458,096	16,097	16,097	32,194	490,290
Depreciation	161,464	-	-	-	-	-	-	-	161,464	9,066	-	9,066	170,530
In-kind direct assistance	52,284	42,945	8,480	-	-	-	13,539	18,053	135,301	-	-	-	135,301
Equipment rental	1,504	877	477	380	272	36	460	1,566	5,572	3,805	1,651	5,456	11,028
Bad debt	29,771	-	-	-	-	-	-	-	29,771	-	40,072	40,072	69,843
Events	-	-	-	-	-	-	-	-	-	30	69,080	69,110	69,110
Insurance	36,106	4,018	1,934	1,420	-	396	2,123	8,336	54,333	6,521	6,442	12,963	67,296
Capital campaign expenses	-	-	-	-	-	-	-	-	-	-	39,652	39,652	39,652
In-kind rent	-	-	22,176	-	-	-	-	-	22,176	-	-	-	22,176
Office supplies and expenses	2,922	603	287	235	138	52	316	1,134	5,687	9,276	3,690	12,966	18,653
Interest	18,334	-	-	-	-	-	-	-	18,334	-	-	-	18,334
Family assistance	12,752	10,930	1,081	958	375	22	2,401	8,360	36,879	2,960	545	3,505	40,384
Travel	3,764	3,290	312	84	26	-	264	2,994	10,734	5,103	715	5,818	16,552
Miscellaneous	7,357	15	11	-	-	-	7	-	7,390	1,469	3,794	5,263	12,653
Staff development	1,481	1,200	405	362	158	43	445	2,097	6,191	3,583	1,639	5,222	11,413
Dues, memberships and subscriptions	1,537	1,061	457	334	9	55	432	1,833	5,718	1,150	1,112	2,262	7,980
Repairs and maintenance	1,288	929	390	359	123	-	353	1,411	4,853	850	850	1,700	6,553
Family development	12,124	605	605	-	-	-	-	2,000	15,334	-	-	-	15,334
Community engagement	1,135	-	-	-	-	-	-	-	1,135	-	-	-	1,135
Total Expenses by Function	1,463,730	575,280	90,189	830,385	293,143	328,174	159,533	485,497	4,225,931	732,769	497,686	1,230,455	5,456,386
Less Expenses Included with Revenues on the Statement of Activities	-	-	-	-	-	-	-	-	-	(30)	(69,080)	(69,110)	(69,110)
Total Expenses	$ 1,463,730	$ 575,280	$ 90,189	$ 830,385	$ 293,143	$ 328,174	$ 159,533	$ 485,497	$ 4,225,931	$ 732,739	$ 428,606	$ 1,161,345	$ 5,387,276

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Solid Ground

Consolidated Statements of Functional Expenses (Continued)

For the Year Ended December 31, 2023

	Program Services									Supporting Services			
	East Metro Place	Home Again & Home Safe	Home Front	Ramsey County Prevention	Washington County Prevention	Washington County CLI	Welcome Home Washington	Homework Starts with Home	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total Expenses
Salaries and wages	$ 424,492	$ 284,183	$ 70,102	$ 5,128	$ 33,415	$ 9,498	$ 27,105	$ 402,077	$ 1,256,000	$ 107,563	$ 220,434	$ 327,997	$ 1,583,997
Employee benefits	32,606	16,626	5,181	83	1,060	194	3,283	47,618	106,651	8,386	23,180	31,566	138,217
Payroll taxes	33,242	20,986	5,714	389	2,586	722	2,272	28,569	94,480	6,533	16,528	23,061	117,541
Total Personnel Expenses	490,340	321,795	80,997	5,600	37,061	10,414	32,660	478,264	1,457,131	122,482	260,142	382,624	1,839,755
Rental assistance	3,093	152,342	1,286	-	537,476	263,106	-	120,134	1,077,437	-	-	-	1,077,437
Occupancy	380,232	8,225	2,423	-	-	-	3,614	10,372	404,866	1,548	3,485	5,033	409,899
Community engagement	7,835	750	620	-	-	-	255	653	10,113	131	902	1,033	11,146
Family assistance	12,261	16,815	2,498	-	143,635	59,538	555	55,580	290,882	216	457	673	291,555
Professional fees and consulting	106,219	31,301	8,917	-	2,889	67	15,005	39,616	204,014	47,340	29,637	76,977	280,991
Depreciation	144,801	-	-	-	-	-	-	-	144,801	13,420	-	13,420	158,221
In-kind direct assistance	43,239	34,547	6,822	-	-	-	-	25,415	110,023	-	-	-	110,023
In-kind rent	-	-	22,176	-	-	-	-	-	22,176	-	-	-	22,176
Events	-	-	-	-	-	-	-	-	-	-	88,471	88,471	88,471
Insurance	45,545	6,574	1,888	-	-	-	2,937	6,993	63,937	1,504	3,182	4,686	68,623
Bad debt	27,062	-	-	-	-	-	-	-	27,062	-	-	-	27,062
Interest	18,222	-	-	-	-	-	-	-	18,222	-	-	-	18,222
Office supplies and expenses	5,866	2,361	1,107	-	-	-	1,020	2,846	13,200	811	3,666	4,477	17,677
Staff development	5,796	2,486	691	-	-	-	1,111	3,199	13,283	777	1,303	2,080	15,363
Equipment rental	4,770	2,348	692	-	-	-	1,038	2,860	11,708	480	962	1,442	13,150
Travel	2,482	1,736	624	-	174	-	304	2,522	7,842	3,032	585	3,617	11,459
Repairs and maintenance	6,842	-	-	-	-	-	-	-	6,842	95	-	95	6,937
Miscellaneous	760	15	27	-	-	-	7	18	827	115	5,008	5,123	5,950
Dues, memberships and subscriptions	1,177	651	187	-	-	-	291	692	2,998	145	307	452	3,450
Family development	-	2,000	-	-	-	-	-	-	2,000	-	-	-	2,000
Total Expenses by Function	1,306,542	583,946	130,955	5,600	721,235	333,125	58,797	749,164	3,889,364	192,096	398,107	590,203	4,479,567
Less Expenses Included with Revenues on the Statement of Activities	-	-	-	-	-	-	-	-	-	-	(88,471)	(88,471)	(88,471)
Total Expenses	$ 1,306,542	$ 583,946	$ 130,955	$ 5,600	$ 721,235	$ 333,125	$ 58,797	$ 749,164	$ 3,889,364	$ 192,096	$ 309,636	$ 501,732	$ 4,391,096

Solid Ground

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	2,653,699	$ 351,057
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	170,530	158,221
Bad debt expense	69,843	27,062
Interest and dividends reinvested	(164,949)	(171,351)
Unrealized gain on investments	(65,467)	(45,725)
Realized loss on sale of investments	13,323	-
Loss on disposal of fixed assets	70,519	-
Grant and loan payable forgiveness	(38,000)	(38,000)
Deferred interest	17,830	17,830
Amortization of debt issuance cost	672	672
Decrease (increase) in assets:		
Other receivable	(125,000)	-
Rents receivable	(4,282)	(21,031)
Grants receivable	21,634	(317,556)
Promises to give	(193,338)	(40,908)
Operating right-of-use asset	(18,153)	33,273
Other current assets	9,727	67,712
Increase (decrease) in liabilities:		
Accounts payable	60,891	16,310
Accrued liabilities	(129,622)	(76,049)
Operating lease liability	18,236	(33,461)
Deferred revenue	843	(2,268)
Tenant security deposits	18,160	(3,351)
Net Cash Provided (Used) by Operating Activities	2,387,096	(77,563)
Cash Flows from Investing Activities		
Purchases of property and equipment	(2,529,243)	(273,220)
Purchases of investments	(500,000)	(393,899)
Proceeds from sale of investments	733,000	825,317
Net Cash Provided (Used) by Investing Activities	(2,296,243)	158,198
Change in Cash and Cash Equivalents	90,853	80,635
Beginning Cash and Cash Equivalents	757,967	677,332
Ending Cash and Cash Equivalents	$ 848,820	$ 757,967

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Note 1: Summary of Significant Accounting Policies

A. Organization

Solid Ground (the Organization) is comprised of Solid Ground and Solid Ground EMP LLC.

Solid Ground is a nonprofit corporation organized under the laws of the State of Minnesota. It has a mission to prevent and end homelessness of 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.

For the years ended December 31, 2024 and 2023, Solid Ground had a .01% ownership in the EMP Partnership as the General Partner and Solid Ground EMP LLC had a 99.99% ownership in the EMP Partnership as a Limited Partner.

Prevention Assistance, made up of Ramsey County Prevention, Washington County Prevention, and Washington County CLI, for unstably housed families expanded significantly in 2024 Solid Ground's Prevention team provides assistance with unpaid rent and utilities to help families avoid eviction, as well as security deposits and first month's rent for families to access more affordable housing. Prevention Assistance served 353 families with children in 2024.

East Metro Place I and East Metro Place II provide 34 units of transitional and permanent supportive housing in White Bear Lake for families experiencing homelessness. Permanent units are designated for families with disabilities and/or histories of long-term homelessness. Parents receive a variety of services, including budgeting, tenant training, employment assistance, mental/chemical health support and parenting skills. Children receive assistance with school and early learning enrollment, after-school tutoring, summer camp and recreational activities. East Metro Place housing 204 adults and children in 2024.

HomeAgain and HomeSafe provide scattered-site, time-limited housing for families experiencing homelessness in Washington and Ramsey Counties. Solid Ground partners with landlords in the community to provide housing and helps with security deposits and rental assistance paid directly to landlords to make the housing more affordable. Families receive in-home services and monthly rent assistance for 6-36 months while they stabilize and work to increase their income. The HomeAgain and HomeSafe programs served 111 adults and children in 2024 with housing and housing search services.

Homework Starts with Home (HSWH) provides prevention assistance and rehousing services to help prevent and end homelessness for families with pre-K-12 grade students in suburban Ramsey and Washington County school districts. Families receive financial assistance to make housing more affordable and services to help them achieve stability and work toward independent housing. Children receive academic and other support to help them achieve school success. HSWH provided 195 adults and children with scattered-site rehousing, prevention assistance and housing stabilization services in 2024.

HomeFront provides 10 units of permanent supportive housing for military veterans and their families who have experienced long-term homelessness. Residents receive income-based rental assistance and in-home supportive services designed to help them achieve housing stability, improve their health and increase their income. HomeFront housed 38 adults and children in 2024.

Welcome Home Washington (WHW) launched in late 2023 to provide scattered-site, permanent supportive housing for chronically homeless families headed by an adult with a disability. Families will receive income-based rental assistance and in-home supportive services designed to help them improve their health and achieve housing stability. WHW served 34 adults and children in 14 families in 2024.

B. Principles of Consolidation

The consolidated financial statements include the accounts of Solid Ground and Solid Ground EMP LLC for the years ended December 31, 2024 and 2023. All material inter-organization transactions have been eliminated.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP).

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Solid Ground, and Solid Ground EMP LLC and related changes are classified and reported as follows:

Without Donor Restriction

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Net assets without donor restrictions are available for use at the discretion of the board and/or management for general operating purposes.

With Donor Restriction

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions.

D. Use of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

E. Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

F. Other Receivable

The Organization was notified of a settlement for faulty roofing installation and recorded a receivable at the time of the settlement, making up the other receivables that are to be paid in 2025.

G. Rent Receivable and Allowance for Credit Losses

Rent receivable are recorded at their net realizable value, and generally no collateral is required. Management of Solid Ground periodically evaluates uncollected accounts receivable based on aging, historical bad debt, and individual balances. Management provides for accounts receivable bad debts using the allowance method. The allowance estimate is derived from a review of the Organization’s historical losses based on the aging of receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization’s receivables have remained constant since the Organization’s inception. Due to the consistent nature of their receivables the Organization is anticipating no changes in the expected credit losses. As a result, management has determined that its allowance for credit losses should not be adjusted across all its aging categories. As of December 31, 2024 and 2023, management has set up an allowance for credit losses of $943 and $0, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Grants Receivable

Grants receivable represent reimbursements receivable from government entities. The Organization receives reimbursements for qualified expenses incurred. Receivables are recorded when management submits the expenses for reimbursement.

I. Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques. The Organization follows a policy of providing an allowance for uncollectible promise to give based upon management's judgment, including such factors as prior collection history and type of contribution. As of December 31, 2024 and 2023, management has set up an allowance for uncollectible pledges of $18,700 and $28,543, respectively. If accounts become uncollectible, bad debt is charged to operations when that determination is made. Bad debt expense for the years ended December 31, 2024 and 2023 was $69,843 and $27,062, respectively.

The Organization anticipates the receipt of the following promises to give at December 31:

Year	2024	2023
In one year or less	$ 238,874	$ 43,594
Between one year and five years	307,888	383,117
	546,762	426,711
Less:		
Discount, at 7.5% for 2024 and 5% for 2023	(21,044)	(14,645)
Allowance for uncollectible pledges	(18,700)	(28,543)
Total	$ 507,018	$ 383,523

J. Property and Equipment

Property and equipment are recorded at cost or, in the case of contributed property, at fair value at the date of contribution. Expenditures for replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. At the time assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the statement of activities. The Organization generally capitalizes asset purchases over $2,000. Useful lives on property and equipment are estimated as follows:

	Useful Life
Furniture and Fixtures	3 - 27.5 years
Building Improvements	3 - 27.5 years
Land Improvements	30 years
Building	20 - 40 years

For the years ended December 31, 2024 and 2023, depreciation expense was $170,530 and $158,221, respectively.

K. Investments

Investments consist of money market funds, debt and equity securities, and beneficial interest in assets held by The Saint Paul Foundation. The fair values of investments are estimated based on quoted market prices for those investments. See fair value measurement disclosure in Note 3 for additional information on types of investments and valuation.

L. Revenue Recognition Policy

Revenue

Rental income consists of residency rent, subsidy rent, vacancy, rental concessions, laundry, late charges and damage and cleaning services. Rental income revenue is recognized at the start of each month of the lease term, which is recognized over the respective months. The performance obligation related to the rental revenue is satisfied upon the beginning of the rental period.

Support

Revenue is recognized when the contribution is received, and contributions received are recorded as donor restricted support or unrestricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted support.

M. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable.

Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Operating lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities. The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.
- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

N. Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation and amortization, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, telephone, printing, and insurance, which are allocated on the basis of estimates of time and effort.

O. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

P. Reclassification

Certain amounts from the prior year have been reclassified in order to be consistent with the current year presentation.

Q. Subsequent Events

Subsequent events were evaluated through May 15, 2025, which is the date the consolidated financial statements were available to be issued.

Note 2: Credit Risk

Solid Ground, and Solid Ground EMP, LLC maintain cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC. Management does not believe this presents a significant risk to the Organization.

The Organization received approximately 44% gross revenues from its top three donors in 2024.

Note 3: Fair Value Measurements

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability

Note 3: Fair Value Measurements (Continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Cash and cash equivalents: Valued at cash value.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Government Securities: Valued at the daily closing price of the securities.

Corporate Bonds: Valued at the daily closing price of the securities.

Financial assets recorded in the Consolidated Statements of Financial Position include investments held at fair market value as follows at December 31, 2024 and 2023:

	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2024				
Investments				
Corporate bonds	$ 622,789	$ -	$ -	$ 622,789
Government securities	446,662	-	-	446,662
Invested cash	956,994	-	-	956,994
Mutual funds	519,118	-	-	519,118
Endowment Investments				
Multi-asset endowment portfolio	-	-	610,538	610,538
Total Investments	$ 2,545,563	$ -	$ 610,538	$ 3,156,101
December 31, 2023				
Investments				
Corporate bonds	$ 961,367	$ -	$ -	$ 961,367
Government securities	708,145	-	-	708,145
Invested cash	623,230	-	-	623,230
Mutual funds	310,108	-	-	310,108
Endowment Investments				
Multi-asset endowment portfolio	-	-	569,157	569,157
Total Investments	$ 2,602,850	$ -	$ 569,157	$ 3,172,007

Note 4: Endowments

The purpose of the Organization's board-designated endowment is to provide for future spending needs. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has no donor-restricted endowment funds or donor-designated endowments as of December 31, 2024 and 2023.

Board-designated endowment fund activity for the years ended December 31 are as follows:

Endowment Net Assets, January 1, 2023	$ 530,363
Administrative fees	(4,933)
Investment gain	43,727
Endowment Net Assets, December 31, 2023	569,157
Administrative fees	(4,861)
Investment gain	46,242
Endowment Net Assets, December 31, 2024	$ 610,538

Investment Objectives and Strategies

The investment objective of the Endowment Fund is based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. The return target is 4% plus inflation and fees. To accomplish this return goal, the Endowment Fund will diversify its assets among several asset classes and seek to manage risk effectively. Investment fees and costs were 0.85% and 0.81% in 2024 and 2023, respectively.

Spending Policy

The purpose of the Endowment Fund is to provide funding, in perpetuity, for programs of Solid Ground. The Board of Directors will approve from time to time a spending rate but expects that a spending rate of 5.25% of a moving twenty-one quarter average but not less than 4.5% or greater than 6.0% of current market value to be appropriate for sustaining the purchasing power of the Endowment Fund and yet still providing the funding for which the Endowment Fund was established. Distributions from the Endowment Fund were $0 in 2024 and 2023.

Note 5: Long-term Debt

Solid Ground's long term debt consisted of the following as at December 31, 2024, and 2023:

Description	2024	2023
Mortgage note payable with simple interest at 1% per annum, principal and interest due April 18, 2035, secured by mortgage on the EMP Building. Accrued interest of $183,963 and $174,628 for the years ended December 31, 2024 and 2023, respectively.	$ 933,496	$ 933,496
Note payable from Ramsey County HRA with simple interest at 1% per annum, principal and interest due April 30, 2035, secured by mortgage on the EMP Building. Accrued interest of $71,311 and $67,693 for the years ended December 31, 2024 and 2023, respectively.	361,857	361,857
Note payable from Ramsey County HRA with simple interest at 1% per annum, principal and interest due April 30, 2035, secured by mortgage on the EMP Building. Accrued interest of $47,296 and $44,897 for the years ended December 31, 2024 and 2023, respectively.	240,000	240,000
Note payable from Ramsey County HRA with simple interest at 1% per annum, principal and interest due November 30, 2035, secured by mortgage on the EMP Building. Accrued interest of $18,745 and $17,768 for the years ended December 31, 2024 and 2023, respectively.	97,802	97,802
Note payable from Family Housing Fund with simple interest at 1% per annum, principal and interest due April 18, 2035, secured by mortgage on the EMP Building. Accrued interest of $29,567 and $28,067 for the years ended December 31, 2024 and 2023, respectively.	150,000	150,000
Total Debt	1,783,155	1,783,155
Less: Deferred financing cost	(6,887)	(7,559)
Total Long Term Debt	$ 1,776,268	$ 1,775,596

Scheduled maturities of long-term debt as of December 31, 2024 are as follows:

Year	Amount	Deferred Financing Costs	Amount
2025	$ -	$ (672)	$ (672)
2026	-	(672)	(672)
2027	-	(672)	(672)
2028	-	(672)	(672)
2029	-	(672)	(672)
Thereafter	1,783,155	(3,527)	1,779,628
Total	$ 1,783,155	$ (6,887)	$ 1,776,268

Note 6: Donor Restricted Net Assets

Donor restricted net assets on December 31, 2024 and 2023 consisted of the following:

	2024	2023
Building improvement and expansion	$ 1,645,070	$ 1,280,076
Time restricted pledges	171,696	232,410
Homework starts at home	22,220	57,199
Youth	7,135	6,400
Education & employment	6,667	-
Educational scholarship	3,297	9,964
Organizational	1,432	1,432
Total	$ 1,857,517	$ 1,587,481

Note 7: In-kind Contributions

The Organization has the following in-kind contributions at December 31:

	2024	2023	Usage in Programs / Activities	Fair Value Techniques
Event supplies and materials	$ 60,471	$ 50,595	Fundraising	Estimated wholesale prices of identical or similar products if purchased in the region
Household supplies	136,797	110,023	Programs	Estimated wholesale prices of identical or similar products if purchased in the region
Rent	22,176	22,176	Programs	Prices to comparable spaces for lease in the same region
Total	$ 219,444	$ 182,794		

All in-kind contributions received in the years ended December 31, 2024 and 2023 were unrestricted. In-kind contributions used in fundraising activities are grouped with special events support on the statement of activities.

Note 8: Defined Contribution Benefit Plan

Solid Ground has a qualified contributory retirement savings plan under Section 403(b) of the Internal Revenue Code, which covers all employees who meet certain eligibility requirements. Voluntary contributions may be made to the plan by the employees. Solid Ground contributions for the years ended December 31, 2024 and 2023 were $20,985 and $14,732, respectively.

Note 9: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position dates, comprise the following at December 31:

	2024	2023
Cash and cash equivalents	$ 848,820	$ 757,967
Other receivable	125,000	-
Rent receivable	38,226	33,944
Grants receivable, net	408,446	430,080
Promises to give	507,018	383,523
Investments	2,545,563	2,602,850
Total financial assets available for general expenditure	4,473,073	4,208,364
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restriction	(1,857,517)	(1,587,481)
Total financial assets available to management for general purpose expenditures within one year	$ 2,615,556	$ 2,620,883

The Organization strives to maintain liquid financial assets sufficient to cover 70-90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit and investment accounts.

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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*

Board of Directors
Solid Ground
White Bear Lake, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Solid Ground (the Organization), a Minnesota not-for-profit corporation, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 15, 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 or significant deficiencies may exist that were not 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.

Abdo

Abdo
Minneapolis, Minnesota
May 15, 2025

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

Board of Directors
Solid Ground
White Bear Lake, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Organization's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Abdo

Abdo
Minneapolis, Minnesota
May 15, 2025

Solid Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor / **Pass-Through Agency** / **Program or Cluster Title**	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Direct			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	Direct	$ 490,410
Total Housing Voucher Cluster			490,410
Other Programs			
Direct			
Home Investment Partnerships Program	14.239	Direct	11,117
Continuum of Care Program	14.267	Direct	160,773
Total Other Programs			171,890
Total U.S. Department of Housing and Urban Development			662,300
U.S. Department of Health and Human Services:			
Passed Through Washington County Community Services CRP			
Medicaid Cluster			
Medical Assistance Program	93.778	None noted	323,337
Total Medicaid Cluster			323,337
Total Federal Expenditures			$ 985,637

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200.516(a), *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended December 31, 2024, the Organization did not elect to use the 10% de minimis indirect cost rate.

Solid Ground

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards:	
Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) (Uniform Guidance)?	No

Identification of Major Programs:	Assistance Listing Number
Housing Voucher Cluster	14.871

Dollar threshold used to distinguish between Type A and Type B Programs:	$ 750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance	No

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There are no significant deficiencies, material weaknesses, or instances of material noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

OTHER ISSUES

See the following page for the Summary Schedule of Prior Audit Findings.

A Corrective Action Plan is not required because there were no current year findings required to be reported in accordance with 2 CFR 200.516(a) (Uniform Guidance).

Solid Ground
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

2023-001 Material Audit Adjustments

Condition: During our audit, material adjustments were needed to adjust accounts to correct balances at year end. Significant accounts affected include net assets and insurance reimbursement liability.

Recommendation: We recommend that the Organization review and update month-end and year-end processes to ensure that all accounts are current at year end and recorded according to GAAP.

Current Status: The recommendation was adopted in 2024 and no similar findings were reported in the 2024 audit.

2023-002 Section 8 Housing Choice Vouchers - Significant Deficiency in Internal Controls over Compliance

Condition: Management did not implement internal controls over rent subsidies. It was noted while testing key controls over subsidies recorded to Solid Ground’s financial records.

Recommendation: We recommend Solid Ground to perform a monthly review and/or reconciliation over the subsidies recorded by the Property Management Company to ensure the subsidies are complete and accurate.

Current Status: The recommendation was adopted in 2024 and no similar findings were reported in the 2024 audit.