



**NEW GROUND INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

**NEW GROUND INC. AND SUBSIDIARY**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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	<u>Page(s)</u>
Independent Auditor's Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows (Indirect Method)	6
Notes to Consolidated Financial Statements	7-13
Consolidating Schedule of Financial Position as of December 31, 2019	14
Consolidating Schedule of Financial Position as of December 31, 2018	15
Consolidating Schedule of Activities and Changes in Net Assets for the Year Ended December 31, 2019	16
Consolidating Schedule of Activities and Changes in Net Assets for the Year Ended December 31, 2018	17



**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
New Ground Inc. and Subsidiary:

***Report on Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of New Ground Inc. and its subsidiary (collectively "the Organization", a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to consolidated financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# NawrockiSmith

## ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Ground Inc. and its subsidiary as of December 31, 2019 and 2018, and the changes in their net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules of financial position on pages 14 and 15 and the supplementary consolidating schedules of activities and changes in net assets on pages 16 and 17 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Melville, New York  
October 15, 2020

A handwritten signature in cursive script that reads "Nawrocki Smith LLP".

**NEW GROUND INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	2019	2018
<b>CURRENT ASSETS:</b>		
Cash	\$ 411,032	\$ 427,441
Accounts receivable	89,752	44,930
Current portion of contributions receivable, net	20,907	18,283
Loans receivable	5,203	1,813
Total current assets	526,894	492,467
FIXED ASSETS, at cost, net of accumulated depreciation of \$55,716 and \$28,277, respectively	1,166,436	1,193,875
NON-CURRENT PORTION OF CONTRIBUTIONS RECEIVABLE, NET	35,937	43,864
OTHER ASSETS	2,352	1,998
Total assets	\$ 1,731,619	\$ 1,732,204
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion - mortgage payable	\$ 14,079	\$ 12,905
Accounts payable	9,663	8,940
Total current liabilities	23,742	21,845
<b>LONG-TERM LIABILITIES:</b>		
Mortgage payable	532,663	547,294
Security deposits held	2,348	1,748
Total long-term liabilities	535,011	549,042
Total liabilities	558,753	570,887
<b>NET ASSETS:</b>		
Net assets without donor restrictions:		
Undesignated	353,172	327,641
Board designated for fixed assets	619,694	633,676
Board designated for program expansion	200,000	200,000
Total net assets	1,172,866	1,161,317
Total liabilities and net assets	\$ 1,731,619	\$ 1,732,204

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

**NEW GROUND INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
REVENUES:		
Special events	\$ 435,585	\$ 399,048
Contributions	347,547	324,038
Program revenue	49,985	38,819
Interest	1,858	1,882
Miscellaneous	-	3,667
	<u>834,975</u>	<u>767,454</u>
EXPENSES:		
Program services	644,901	593,052
Administration	53,958	52,388
Fundraising	124,567	120,215
	<u>823,426</u>	<u>765,655</u>
Total expenses		
Change in net assets	11,549	1,799
NET ASSETS, BEGINNING OF YEAR	<u>1,161,317</u>	<u>1,159,518</u>
NET ASSETS, END OF YEAR	<u>\$ 1,172,866</u>	<u>\$ 1,161,317</u>

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

**NEW GROUND INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019				2018			
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Salaries, benefits, and payroll taxes	\$ 406,941	\$ 22,457	\$ 18,447	\$ 447,845	\$ 407,746	\$ 24,937	\$ 19,813	\$ 452,496
Direct client services	80,980	-	-	80,980	60,107	-	-	60,107
Professional fees	24,749	13,527	-	38,276	7,777	9,504	-	17,281
Depreciation	20,580	6,859	-	27,439	19,387	6,461	-	25,848
Office	23,918	498	498	24,914	19,449	406	405	20,260
Interest	18,315	6,105	-	24,420	17,087	5,696	-	22,783
Repairs and maintenance	10,554	2,940	-	13,494	4,445	1,481	-	5,926
Insurance	12,447	254	-	12,701	12,346	252	-	12,598
Employee retirement benefits	11,093	229	114	11,436	11,318	692	566	12,576
Utilities	9,241	899	-	10,140	8,197	2,733	-	10,930
IT and computer	8,214	84	83	8,381	3,134	65	65	3,264
Travel	6,842	69	-	6,911	6,420	65	-	6,485
Clinical supervision	4,950	-	-	4,950	10,650	-	-	10,650
Telephone	2,457	25	25	2,507	1,960	20	20	2,000
Conferences and seminars	1,984	-	-	1,984	1,815	-	-	1,815
Miscellaneous	862	12	-	874	662	76	-	738
Recruitment	610	-	-	610	112	-	-	112
Website and fees	164	-	164	328	440	-	440	880
	644,901	53,958	19,331	718,190	593,052	52,388	21,309	666,749
Cost of special events	-	-	105,236	105,236	-	-	98,906	98,906
	<u>\$ 644,901</u>	<u>\$ 53,958</u>	<u>\$ 124,567</u>	<u>\$ 823,426</u>	<u>\$ 593,052</u>	<u>\$ 52,388</u>	<u>\$ 120,215</u>	<u>\$ 765,655</u>

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

**NEW GROUND INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (INDIRECT METHOD)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 11,549	\$ 1,799
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	27,439	25,848
Increase in accounts receivable	(44,822)	(12,537)
(Increase) decrease in contributions receivable	5,303	(62,147)
(Increase) decrease in loans receivable	(3,390)	1,965
Increase in other assets	(354)	(1,998)
Increase in accounts payable	723	5,917
Increase in security deposits held	600	1,748
Net cash used by operating activities	<u>(2,952)</u>	<u>(39,405)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	<u>-</u>	<u>(15,891)</u>
Net cash used by investing activities	<u>-</u>	<u>(15,891)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of mortgage payable	<u>(13,457)</u>	<u>(11,937)</u>
Net cash used by financing activities	<u>(13,457)</u>	<u>(11,937)</u>
NET DECREASE IN CASH	(16,409)	(67,233)
CASH, BEGINNING OF YEAR	<u>427,441</u>	<u>494,674</u>
CASH, END OF YEAR	<u>\$ 411,032</u>	<u>\$ 427,441</u>
<b>CASH PAID DURING THE YEAR FOR:</b>		
Interest	<u>\$ 24,420</u>	<u>\$ 22,783</u>

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

**NEW GROUND INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**(1) Background and organization**

The accompanying consolidated financial statements reflect the financial position and activities of New Ground Inc. and its subsidiary, NGIP Inc. (hereinafter, collectively "the Organization").

Founded in 1991, New Ground Inc. is a not-for-profit organization formed under the laws of New York State, providing intensive social work services and education programs to families and veterans caught in the cycle of homelessness and poverty. Social work services include but are not limited to: career development, employment assistance, budgeting, repairing credit, parenting skills, household management skills, conflict resolution, problem solving, crisis management skills, and future permanent housing planning. Education programs include the Reading All-Stars Program, Education Assistance Program, Education Advocacy Program, Tutoring Program, Academic Scholarship Program, and Parent Workshop Program. Through these, New Ground assists children to succeed in school with a track to graduate high school and pursue higher education, as well as assisting adults to return to school and complete a higher degree or certification thereby increasing their household income. All of the programs and services offered are targeted toward developing self-sufficiency and assisting the families and veterans with securing an independent future.

NGIP Inc. is a wholly-owned subsidiary of New Ground Inc., formed as a not-for-profit organization in 2015 for purposes of providing housing for homeless and low income families and individuals in the Long Island and Metropolitan New York areas. Families and individuals residing in the housing owned and operated by NGIP Inc. will receive the social work services and education programs offered by New Ground Inc. to assist them in breaking the cycle of homelessness and poverty, eventually securing permanent housing and self-sufficiency.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**(2) Summary of significant accounting policies:**

**Basis of accounting and financial statement presentation -**

The accompanying consolidated financial statements include the assets, liabilities, revenues and expenses of the Organization which are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. All transactions between the entities comprising the Organization have been eliminated in consolidation. The following is a summary of significant accounting policies followed by the Organization:

**Financial statement presentation -**

The accompanying consolidated financial statements include the accounts of the Organization's programs, administration and fundraising. U.S. generally accepted accounting principles require that the Organization's consolidated financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As of December 31, 2019 and 2018, the Organization did not possess any net assets with donor restrictions.

As required by U.S generally accepted accounting principles, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2019 and 2018.

**Principles of consolidation** -

New Ground Inc. has voting control and an economic interest in NGIP Inc. (“NGIP”), which results in the accounts of NGIP being consolidated with those of New Ground Inc. in the accompanying financial statements. All intercompany balances and transactions have been eliminated in the consolidation.

**Revenue recognition** -

Effective January 1, 2019, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

Effective January 1, 2019, the Organization adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The new guidance clarifies and improves guidance on whether a transfer of assets is a contribution or an exchange and whether a contribution is conditional. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

The following are the significant revenue recognition accounting policies of the Organization:

Contributions - Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

**Cash and cash equivalents -**

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts receivable -**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual accounts.

**Loans receivable -**

Loans receivable in the amounts of \$5,203 and \$1,813 represent funds advanced to families as of December 31, 2019 and 2018, respectively. Through the Revolving Loan Program, New Ground provides zero interest loans for current Long Term Housing Program residents in need of specific financial assistance in order to continue to make progress on their program goals. Each resident creates a specific monthly repayment plan for their loan based on their individual budget, often utilizing an annual tax refund upon receipt to pay off any remaining balance.

**Contributions receivable -**

Contributions receivable are recognized as support in the period pledged and are recorded at the present value of estimated cash flow. The discount on these amounts is computed using a risk-adjusted rate applicable to the years in which the promises are to be received. Amortization of the discount is recorded as an addition to contribution revenue in accordance with donor-imposed restrictions. The Organization expects contributions receivable to be collected in full, therefore an allowance for doubtful accounts has not been recorded as of December 31, 2019 and 2018.

**Fixed assets -**

Fixed assets consist of land, buildings and office equipment which are recorded at cost. Fixed assets acquired by gift are capitalized at the approximate market value at the date of gift. Such gifts are reported as unrestricted support unless the donor has restricted the donated assets for a specific purpose.

The Organization follows the practice of capitalizing all items over \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally periods of five to forty years).

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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**Liquidity considerations -**

**Quantitative**

As of December 31, 2019 and 2018, the Organization has \$526,894 and \$492,467, respectively, of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statements of Financial Position date, which consists of the current assets per the Statements of Financial Position.

**Qualitative**

As of December 31, 2019 and 2018, the Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$130,000.

**Donated services -**

A number of volunteers have donated significant amounts of their time in the Organization's program services, administration and fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying consolidated financial statements.

**Functional expenses -**

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries, benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

**Fair value of financial instruments -**

U.S. generally accepted accounting principles define the fair value of a financial instrument as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where applicable, fair values are determined by reference to quoted market prices and other relevant information generated by market transactions.

U.S. generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

**The use of estimates in the preparation of financial statements -**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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**(3) Contributions receivable**

Contributions receivable as of December 31, 2019 are due as follows:

Year ending December 31,			
2020	\$	24,838	
2021		20,834	
2022		17,740	
2023		5,143	
2023		500	
Total contributions receivable			69,055
Less: discount at 6% present value			(12,211)
Total contributions receivable, net		\$	56,844

**(4) Fixed assets**

Fixed assets as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Land	\$ 317,481	\$ 317,481
Buildings and building improvements	899,126	899,126
Office equipment	5,545	5,545
	1,222,152	1,222,152
Less: Accumulated depreciation	(55,716)	(28,277)
	\$ 1,166,436	\$ 1,193,875

**(5) Mortgage payable**

In connection with the purchase of a building in September 2017, the Organization obtained a mortgage from a bank, which is secured by the property, in the amount of \$338,000 with a fixed interest rate of 4.25% for a period of 120 months. The Organization purchased an additional building in December 2017 and obtained a second mortgage from a bank, which is secured by the property, in the amount of \$236,000 with a fixed interest rate of 4.25% for a period of 120 months.

Interest expense was \$24,420 and \$22,783 for the years ended December 31, 2019 and 2018, respectively. Accrued interest has not been imputed as it has been deemed to be immaterial. Future principal maturities of these loans are as follows:

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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Year ending December 31,

2020	\$	14,079
2021		14,778
2022		15,440
2023		16,132
2024		16,795
2025 and thereafter		469,518
	\$	546,742

**(6) Board designated net assets**

In January 2015, the Board of Directors approved a designation specifically for the expansion of program services, which is reflected on the Statement of Financial Position. These funds have been set aside by the Board to procure housing, in conjunction with the submission of grant applications, for homeless families receiving services from the Organization, as well as to cover the increased program costs of serving a growing number of homeless veterans, parents and children. The amount associated with this designation was \$200,000 for each of the years ended December 31, 2019 and 2018.

**(7) Employee benefit plan**

The Organization has a 401(k) Plan (the "Plan") for all eligible employees. The Plan states that the employer will match participant contributions up to 4%. The expense associated with this Plan was \$11,436 and \$12,576 for the years ended December 31, 2019 and 2018, respectively.

**(8) Commitments**

The Organization currently has a non-cancellable operating lease for a copier, which expires in 2022. Future minimum payments under this operating lease are as follows:

Year ending December 31,

2020	\$	2,856
2021		2,856
2022		238
	\$	5,950

**(9) Concentrations**

The Organization maintains its cash in bank deposit accounts at reputable establishments which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**NEW GROUND INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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**(10) Subsequent events**

The Organization has evaluated subsequent events through October 15, 2020, which is the date these financial statements were available to be issued, noting the following:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. The extent of the impact of COVID-19 on the Organization’s operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

**NEW GROUND INC. AND SUBSIDIARY**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**

ASSETS	New Ground Inc.	NGIP Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS:</b>				
Cash	\$ 401,886	\$ 9,146	\$ -	\$ 411,032
Accounts receivable	86,831	2,921	-	89,752
Current portion of contributions receivable, net	20,907	-	-	20,907
Loans receivable	5,203	-	-	5,203
Total current assets	514,827	12,067	-	526,894
FIXED ASSETS, NET	453,381	713,055	-	1,166,436
NON-CURRENT PORTION OF CONTRIBUTIONS RECEIVABLE, NET	35,937	-	-	35,937
OTHER ASSETS	-	2,352	-	2,352
Total assets	<u>\$ 1,004,145</u>	<u>\$ 727,474</u>	<u>\$ -</u>	<u>\$ 1,731,619</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Current portion - mortgage payable	\$ 8,413	\$ 5,666	\$ -	\$ 14,079
Accounts payable	9,007	656	-	9,663
Total current liabilities	17,420	6,322	-	23,742
<b>LONG-TERM LIABILITIES:</b>				
Mortgage payable	312,548	220,115	-	532,663
Security deposits held	-	2,348	-	2,348
Total long-term liabilities	312,548	222,463	-	535,011
Total liabilities	329,968	228,785	-	558,753
<b>NET ASSETS:</b>				
Net assets without donor restrictions:				
Undesignated	341,757	11,415	-	353,172
Board designated for fixed assets	132,420	487,274	-	619,694
Board designated for program expansion	200,000	-	-	200,000
Total net assets	674,177	498,689	-	1,172,866
Total liabilities and net assets	<u>\$ 1,004,145</u>	<u>\$ 727,474</u>	<u>\$ -</u>	<u>\$ 1,731,619</u>

See auditor's report on supplementary information.

**NEW GROUND INC. AND SUBSIDIARY**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018**

ASSETS	New Ground Inc.	NGIP Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS:</b>				
Cash	\$ 420,002	\$ 7,439	\$ -	\$ 427,441
Accounts receivable	42,009	2,921	-	44,930
Current portion of contributions receivable, net	18,283	-	-	18,283
Loans receivable	1,813	-	-	1,813
Total current assets	482,107	10,360	-	492,467
FIXED ASSETS, NET	463,202	730,673	-	1,193,875
NON-CURRENT PORTION OF CONTRIBUTIONS RECEIVABLE, NET	43,864	-	-	43,864
OTHER ASSETS	-	1,998	-	1,998
Total assets	<u>\$ 989,173</u>	<u>\$ 743,031</u>	<u>\$ -</u>	<u>\$ 1,732,204</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Current portion - mortgage payable	\$ 7,461	\$ 5,444	\$ -	\$ 12,905
Accounts payable	4,626	4,314	-	8,940
Total current liabilities	12,087	9,758	-	21,845
<b>LONG-TERM LIABILITIES:</b>				
Mortgage payable	321,532	225,762	-	547,294
Security deposits held	-	1,748	-	1,748
Total long-term liabilities	321,532	227,510	-	549,042
Total liabilities	333,619	237,268	-	570,887
<b>NET ASSETS:</b>				
Net assets without donor restrictions:				
Undesignated	321,345	6,296	-	327,641
Board designated for fixed assets	134,209	499,467	-	633,676
Board designated for program expansion	200,000	-	-	200,000
Total net assets	655,554	505,763	-	1,161,317
Total liabilities and net assets	<u>\$ 989,173</u>	<u>\$ 743,031</u>	<u>\$ -</u>	<u>\$ 1,732,204</u>

See auditor's report on supplementary information.

**NEW GROUND INC. AND SUBSIDIARY**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	New Ground Inc. Net Assets Without Donor Restrictions	NGIP Inc. Net Assets Without Donor Restrictions	Eliminations	Consolidated
<b>REVENUES:</b>				
Special events	\$ 435,585	\$ -	\$ -	\$ 435,585
Contributions	347,547	-	-	347,547
Program revenue	17,670	32,315	-	49,985
Interest	1,849	9	-	1,858
	<u>802,651</u>	<u>32,324</u>	<u>-</u>	<u>834,975</u>
<b>EXPENSES:</b>				
Program services	617,139	27,762	-	644,901
Administration	42,322	11,636	-	53,958
Fundraising	124,567	-	-	124,567
	<u>784,028</u>	<u>39,398</u>	<u>-</u>	<u>823,426</u>
Change in net assets	18,623	(7,074)	-	11,549
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>655,554</u>	<u>505,763</u>	<u>-</u>	<u>1,161,317</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 674,177</u></u>	<u><u>\$ 498,689</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,172,866</u></u>

See auditor's report on supplementary information.

**NEW GROUND INC. AND SUBSIDIARY**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	New Ground Inc. Net Assets Without Donor Restrictions	NGIP Inc. Net Assets Without Donor Restrictions	Eliminations	Consolidated
<b>REVENUES:</b>				
Special events	\$ 399,048	\$ -	\$ -	\$ 399,048
Contributions	324,038	-	-	324,038
Program revenue	25,583	13,236	-	38,819
Miscellaneous	-	3,667	-	3,667
Interest	1,830	52	-	1,882
	<u>750,499</u>	<u>16,955</u>	<u>-</u>	<u>767,454</u>
<b>EXPENSES:</b>				
Program services	568,551	24,501	-	593,052
Administration	43,160	9,228	-	52,388
Fundraising	120,215	-	-	120,215
	<u>731,926</u>	<u>33,729</u>	<u>-</u>	<u>765,655</u>
Change in net assets	18,573	(16,774)	-	1,799
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>636,981</u>	<u>522,537</u>	<u>-</u>	<u>1,159,518</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 655,554</u>	<u>\$ 505,763</u>	<u>\$ -</u>	<u>\$ 1,161,317</u>

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