



NEW GROUND INC. AND SUBSIDIARY

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

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

**NEW GROUND INC. AND SUBSIDIARY
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of New Ground Inc. and Subsidiary (collectively, the "Organization", both nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

NawrockiSmith

Auditor's Responsibilities for the Audit of the Consolidated 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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.

NawrockiSmith

Supplementary Information

Our audits were 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 15 and 16 and the supplementary consolidating schedules of activities and changes in net assets on pages 17 and 18 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.

Hauppauge, New York
November 7, 2025



NEW GROUND INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS:		
Cash	\$ 989,708	\$ 807,544
Accounts receivable	47,699	39,639
Contributions receivable, current portion	15,500	22,500
Loans receivable	2,904	2,906
Total current assets	1,055,811	872,589
NONCURRENT ASSETS:		
Fixed assets, net	1,054,725	1,076,419
Right-of-use assets - operating	5,265	7,341
Contributions receivable, net of current portion	18,794	30,497
Total assets	<u>\$ 2,134,595</u>	<u>\$ 1,986,846</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Mortgage payable, current portion	\$ 17,607	\$ 16,794
Lease liabilities - operating, current portion	2,135	2,076
Accounts payable	133,266	18,152
Total current liabilities	<u>153,008</u>	<u>37,022</u>
LONG-TERM LIABILITIES:		
Mortgage payable, net of current portion	460,264	473,825
Lease liabilities, net of current portion - operating	3,130	5,265
Security deposits held	4,520	5,520
Total long-term liabilities	<u>467,914</u>	<u>484,610</u>
Total liabilities	<u>620,922</u>	<u>521,632</u>
NET ASSETS:		
Net assets without donor restrictions:		
Undesignated	736,819	679,414
Board designated for fixed assets	576,854	585,800
Board designated for program expansion	200,000	200,000
Total net assets	<u>1,513,673</u>	<u>1,465,214</u>
Total liabilities and net assets	<u>\$ 2,134,595</u>	<u>\$ 1,986,846</u>

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, 2024 AND 2023**

	2024	2023
REVENUES:		
Special events	\$ 619,579	\$ 505,185
Grants and contributions	520,254	418,598
Program revenue	388,616	104,813
Interest	23,792	6,822
Miscellaneous	-	3,267
	1,552,241	1,038,685
EXPENSES:		
Program services	1,286,965	820,689
Administration	52,682	48,736
Fundraising	164,135	133,510
	1,503,782	1,002,935
Change in net assets	48,459	35,750
NET ASSETS, BEGINNING OF YEAR	1,465,214	1,429,464
NET ASSETS, END OF YEAR	\$ 1,513,673	\$ 1,465,214

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, 2024 AND 2023

	2024				2023			
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Salaries, benefits, and payroll taxes	\$ 666,713	\$ 31,758	\$ 29,478	\$ 727,949	\$ 515,764	\$ 28,132	\$ 20,307	\$ 564,203
Repairs and maintenance	224,420	1,148	-	225,568	29,141	853	-	29,994
Direct client services	192,922	-	-	192,922	84,273	-	-	84,273
Professional fees	36,302	13,063	868	50,233	27,808	12,148	-	39,956
Office	33,319	694	694	34,707	31,172	649	649	32,470
Interest	30,799	1,937	-	32,736	30,967	2,380	-	33,347
Insurance	23,912	488	-	24,400	22,276	455	-	22,731
Depreciation	22,257	1,867	-	24,124	22,322	2,163	-	24,485
IT and computer	15,299	154	202	15,655	20,685	211	211	21,107
Utilities	14,032	863	-	14,895	12,627	881	-	13,508
Employee retirement benefits	11,764	413	338	12,515	13,010	715	572	14,297
Conferences and seminars	4,696	-	-	4,696	3,175	-	-	3,175
Travel	3,726	-	-	3,726	2,572	-	-	2,572
Clinical supervision	2,850	-	-	2,850	2,550	-	-	2,550
Telephone	2,159	22	22	2,203	2,347	24	24	2,395
Recruitment	1,795	-	-	1,795	-	-	-	-
Miscellaneous	-	275	-	275	-	125	-	125
	<u>1,286,965</u>	<u>52,682</u>	<u>31,602</u>	<u>1,371,249</u>	<u>820,689</u>	<u>48,736</u>	<u>21,763</u>	<u>891,188</u>
Cost of special events	-	-	132,533	132,533	-	-	111,747	111,747
	<u>\$ 1,286,965</u>	<u>\$ 52,682</u>	<u>\$ 164,135</u>	<u>\$ 1,503,782</u>	<u>\$ 820,689</u>	<u>\$ 48,736</u>	<u>\$ 133,510</u>	<u>\$ 1,002,935</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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 48,459	\$ 35,750
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,124	24,485
Amortization of right-of-use assets	2,076	2,019
Operating lease cost	(2,076)	(2,019)
Increase in accounts receivable	(8,060)	(707)
(Increase) decrease in contributions receivable	18,703	(24,678)
(Increase) decrease in loans receivable	2	(649)
Decrease in prepaid expenses	-	2,222
Increase in accounts payable	115,114	6,232
Increase (decrease) in security deposits held	(1,000)	1,263
	<u>197,342</u>	<u>43,918</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(2,430)	(12,985)
	<u>(2,430)</u>	<u>(12,985)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage payable	(12,748)	(11,884)
	<u>(12,748)</u>	<u>(11,884)</u>
NET INCREASE IN CASH	182,164	19,049
CASH, BEGINNING OF YEAR	<u>807,544</u>	<u>788,495</u>
CASH, END OF YEAR	<u>\$ 989,708</u>	<u>\$ 807,544</u>
CASH PAID DURING THE YEAR FOR:		
Interest	<u>\$ 32,736</u>	<u>\$ 33,347</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

(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.

New Ground Inc. and NGIP Inc. are 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. 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. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

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

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, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes. However, currently the Organization does not have any funds with perpetual restriction. The Organization has elected to show restricted support for which restrictions are met in the same reporting period as support within net assets without donor restrictions.

As of December 31, 2024 and 2023, the Organization did not possess any net assets with donor restrictions.

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 -

The Organization complies with and accounts for its revenues in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

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 Consolidated 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.

Program income - Program income is reported at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to governments, businesses and their stakeholders, to put the *UN Guiding Principles on Business and Human Rights* into practice. These amounts are due from third party payors, as applicable. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

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.

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

Cash and cash equivalents -

All highly liquid instruments purchased with an original maturity of three months or less are considered to be cash equivalents, principally money market funds.

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 represent funds advanced to families was \$2,904 and \$2,906 for the years ended December 31, 2024 and 2023, respectively. Through the Revolving Loan Program, New Ground Inc. provides zero interest loans for current program participants in need of specific financial assistance in order to continue to make progress on their program goals. Each client 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, 2024 and 2023.

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).

Right-of-use assets and lease liabilities -

The Organization complies with the provisions of FASB Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”). All leases entered into by the Organization are required to be recognized and measured. In applying Topic 842, the Organization made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases.

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

The Organization determines if an arrangement is or contains a lease at inception. The Organizations' operating lease arrangements are comprised of office equipment. Right-of-use assets represent the Organizations' right to use the underlying assets for the lease term and lease liabilities represent the Organizations' obligation to make lease payments arising from the leases. Right of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

Liquidity considerations -

Quantitative

As of December 31, 2024, the Organization has \$1,055,811 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Consolidated Statement of Financial Position date, which consists of the current assets per the Consolidated Statement of Financial Position.

Qualitative

As of December 31, 2024 the Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 120 days of normal operating expenses, which are, on average, approximately \$410,000.

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 Consolidated 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.

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

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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

(3) Contributions receivable

Contributions receivable as of December 31, 2024 are due as follows:

<u>Year ending December 31,</u>		
2025	\$	15,500
2026		10,000
2027		<u>10,000</u>
Total contributions receivable		35,500
Less: discount at 4.25% present value		<u>(1,206)</u>
Total contributions receivable, net	\$	<u>34,294</u>

(4) Fixed assets

Fixed assets as of December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 317,481	\$ 317,481
Buildings and building improvements	899,126	899,126
Office equipment	<u>20,960</u>	<u>18,530</u>
	1,237,567	1,235,137
Less: accumulated depreciation	<u>(182,842)</u>	<u>(158,718)</u>
	<u>\$ 1,054,725</u>	<u>\$ 1,076,419</u>

(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. A final balloon payment of \$260,353 consisting of remaining principal, plus accrued and unpaid interest outstanding under the term loan, will be due and payable on the loan maturity date of October 1, 2027.

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. A final balloon payment of \$181,515 consisting of remaining principal, plus accrued and unpaid interest outstanding under the term loan, will be due and payable on the loan maturity date of December 1, 2027.

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

Interest expense was \$32,736 and \$33,347 for the years ended December 31, 2024 and 2023, respectively. Accrued interest has not been imputed as it has been deemed to be immaterial. Future principal maturities of these loans are as follows:

<u>Year ending December 31,</u>	
2025	\$ 17,607
2026	18,396
2027	<u>441,868</u>
	<u>\$ 477,871</u>

(6) Leases

The Organization is obligated under various operating leases for office equipment through 2027.

The Organization evaluated current contracts to determine which met the criteria of a leases. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of January 1, 2024, was 3.37%.

As of December 31, 2024, the weighted-average remaining lease term for the Organization's operating leases was approximately 2.5 years.

Cash paid for the operating leases for the year ended December 31, 2024 was \$2,265. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending December 31:

<u>For the Fiscal Year</u> <u>Ending December 31,</u>	
2025	\$ 2,256
2026	2,256
2027	<u>940</u>
Total	5,452
Less: discount to present value	<u>(187)</u>
Total lease liabilities	<u>\$ 5,265</u>

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

(7) 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 Consolidated Statements 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, 2024 and 2023, respectively.

(8) 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 \$12,515 and \$14,297 for the years ended December 31, 2024 and 2023, respectively.

(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.

(10) Subsequent events

The Organization has evaluated subsequent events through November 7, 2025, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure in the financial statements.

NEW GROUND INC. AND SUBSIDIARY
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS	New Ground Inc.	NGIP Inc.	Eliminations	Consolidated
CURRENT ASSETS:				
Cash	\$ 960,787	\$ 28,921	\$ -	\$ 989,708
Accounts receivable	43,609	4,090	-	47,699
Contributions receivable, current portion	15,500	-	-	15,500
Loans receivable	2,904	-	-	2,904
Total current assets	1,022,800	33,011	-	1,055,811
NONCURRENT ASSETS:				
Fixed assets, net	424,878	629,847	-	1,054,725
Right-of-use assets - operating	5,265	-	-	5,265
Contributions receivable, net of current portion	18,794	-	-	18,794
Total assets	<u>\$ 1,471,737</u>	<u>\$ 662,858</u>	<u>\$ -</u>	<u>\$ 2,134,595</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Mortgage payable, current portion	\$ 10,477	\$ 7,130	\$ -	\$ 17,607
Lease liabilities - operating, current portion	2,135	-	-	2,135
Accounts payable	132,345	921	-	133,266
Total current liabilities	144,957	8,051	-	153,008
LONG-TERM LIABILITIES:				
Mortgage payable, net of current portion	269,669	190,595	-	460,264
Lease liabilities, net of current portion - operating	3,130	-	-	3,130
Security deposits held	-	4,520	-	4,520
Total long-term liabilities	272,799	195,115	-	467,914
Total liabilities	417,756	203,166	-	620,922
NET ASSETS:				
Net assets without donor restrictions:				
Undesignated	709,249	27,570	-	736,819
Board designated for fixed assets	144,732	432,122	-	576,854
Board designated for program expansion	200,000	-	-	200,000
Total net assets	1,053,981	459,692	-	1,513,673
Total liabilities and net assets	<u>\$ 1,471,737</u>	<u>\$ 662,858</u>	<u>\$ -</u>	<u>\$ 2,134,595</u>

See auditor's report on supplementary information.

NEW GROUND INC. AND SUBSIDIARY
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

ASSETS	New Ground Inc.	NGIP Inc.	Eliminations	Consolidated
CURRENT ASSETS:				
Cash	\$ 800,307	\$ 7,237	\$ -	\$ 807,544
Accounts receivable	39,639	-	-	39,639
Contributions receivable, current portion	22,500	-	-	22,500
Loans receivable	2,906	-	-	2,906
Total current assets	865,352	7,237	-	872,589
NONCURRENT ASSETS:				
Fixed assets, net	432,192	644,227	-	1,076,419
Right-of-use assets - operating	7,341	-	-	7,341
Contributions receivable, net of current portion	30,497	-	-	30,497
Total assets	<u>\$ 1,335,382</u>	<u>\$ 651,464</u>	<u>\$ -</u>	<u>\$ 1,986,846</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Mortgage payable, current portion	\$ 10,002	\$ 6,792	\$ -	\$ 16,794
Lease liabilities - operating, current portion	2,076	-	-	2,076
Accounts payable	18,132	20	-	18,152
Total current liabilities	30,210	6,812	-	37,022
LONG-TERM LIABILITIES:				
Mortgage payable, net of current portion	277,721	196,104	-	473,825
Lease liabilities, net of current portion - operating	5,265	-	-	5,265
Security deposits held	-	5,520	-	5,520
Total long-term liabilities	282,986	201,624	-	484,610
Total liabilities	313,196	208,436	-	521,632
NET ASSETS:				
Net assets without donor restrictions:				
Undesignated	677,717	1,697	-	679,414
Board designated for fixed assets	144,469	441,331	-	585,800
Board designated for program expansion	200,000	-	-	200,000
Total net assets	1,022,186	443,028	-	1,465,214
Total liabilities and net assets	<u>\$ 1,335,382</u>	<u>\$ 651,464</u>	<u>\$ -</u>	<u>\$ 1,986,846</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, 2024

	New Ground Inc. Net Assets Without Donor Restrictions	NGIP Inc. Net Assets Without Donor Restrictions	Eliminations	Consolidated
REVENUES:				
Special events	\$ 619,579	\$ -	\$ -	\$ 619,579
Grants and contributions	520,379	-	(125)	520,254
Program revenue	110,153	278,463	-	388,616
Interest	23,791	1	-	23,792
	<u>1,273,902</u>	<u>278,464</u>	<u>(125)</u>	<u>1,552,241</u>
EXPENSES:				
Program services	1,032,051	255,039	(125)	1,286,965
Administration	45,921	6,761	-	52,682
Fundraising	164,135	-	-	164,135
	<u>1,242,107</u>	<u>261,800</u>	<u>(125)</u>	<u>1,503,782</u>
Change in net assets	31,795	16,664	-	48,459
NET ASSETS, BEGINNING OF YEAR	<u>1,022,186</u>	<u>443,028</u>	<u>-</u>	<u>1,465,214</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,053,981</u></u>	<u><u>\$ 459,692</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,513,673</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, 2023

	New Ground Inc. Net Assets Without Donor Restrictions	NGIP Inc. Net Assets Without Donor Restrictions	Eliminations	Consolidated
REVENUES:				
Special events	\$ 505,185	\$ -	\$ -	\$ 505,185
Grants and contributions	420,394	11,300	(13,096)	418,598
Program revenue	60,922	43,891	-	104,813
Miscellaneous	3,267	-	-	3,267
Interest	6,821	1	-	6,822
	<u>996,589</u>	<u>55,192</u>	<u>(13,096)</u>	<u>1,038,685</u>
EXPENSES:				
Program services	770,216	63,569	(13,096)	820,689
Administration	44,173	4,563	-	48,736
Fundraising	133,510	-	-	133,510
	<u>947,899</u>	<u>68,132</u>	<u>(13,096)</u>	<u>1,002,935</u>
Change in net assets	48,690	(12,940)	-	35,750
NET ASSETS, BEGINNING OF YEAR				
	<u>973,496</u>	<u>455,968</u>	<u>-</u>	<u>1,429,464</u>
NET ASSETS, END OF YEAR				
	<u>\$ 1,022,186</u>	<u>\$ 443,028</u>	<u>\$ -</u>	<u>\$ 1,465,214</u>

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