



**PROJECT FOR PRIDE IN LIVING, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY CONSOLIDATING INFORMATION**

**FOR THE YEAR ENDED  
DECEMBER 31, 2024**



# PROJECT FOR PRIDE IN LIVING, INC.

## CONSOLIDATED FINANCIAL STATEMENTS WITH SUPPLEMENTARY CONSOLIDATING INFORMATION

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Consolidating Information:	
Consolidating Statement of Financial Position	32
Consolidating Statement of Activities	33
Consolidating Statement of Functional Expenses	34
Consolidating Statement of Cash Flows	35



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Project for Pride in Living, Inc.  
Minneapolis, Minnesota

### Opinion

We have audited the accompanying consolidated financial statements of Project for Pride in Living, Inc. and affiliates (Project for Pride in Living, Inc.), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Project for Pride in Living, Inc., as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted (GAAS) 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 Project for Pride in Living, Inc. 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 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 Project for Pride in Living, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

(Continued)

## **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 GAAS 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 GAAS 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 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 Project for Pride in Living, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Project for Pride in Living, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited Project for Pride in Living, Inc.’s 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

(Continued)

## Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 32 through 35 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, functional expenses, and cash flows of the individual entities, and is 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 consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is 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 June 30, 2025, on our consideration of Project for Pride in Living, Inc.'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 Project for Pride in Living, Inc.'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 Project for Pride in Living, Inc.'s internal control over financial reporting and compliance.

June 30, 2025

*Mahoney Ulbrich*  
*Christiansen & Russ, PA*

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

(With Comparative Totals for 2023)

	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 14,106,315	\$ 16,465,604
Cash - comprehensive campaign	-	1,543,845
Investments	3,708,702	1,993,247
Current portion of receivables, net	6,201,650	10,184,134
Inventories	-	38,108
Property held for sale	459,055	452,675
Prepaid expenses	440,469	684,476
Total current assets	<u>24,916,191</u>	<u>31,362,089</u>
Cash - construction escrows	2,691,005	510,449
Cash - custodial	1,211,268	1,605,559
Cash - working capital fund	264,497	3,306,750
Property reserves	14,338,337	13,341,979
Receivables, less current portion, net	202,389	995,706
Other assets, net	721,178	505,906
Property under development	29,311,410	44,477,908
Right of use asset, net	852,051	-
Property and equipment, net	<u>261,147,996</u>	<u>199,511,553</u>
Total assets	<u>\$ 335,656,322</u>	<u>\$ 295,617,899</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 2,364,967	\$ 1,485,315
Accrued payroll and related	536,556	424,671
Accrued real estate taxes	933,633	1,072,935
Other accrued liabilities	1,147,603	374,880
Current portion of deferred revenues	155,925	211,745
Current portion of accrued interest	559,745	106,902
Current portion of notes payable and lines of credit	670,288	166,879
Current portion of mortgages payable	16,039,335	5,650,440
Current portion of lease liability	67,913	-
Total current liabilities	<u>22,475,965</u>	<u>9,493,767</u>
Construction payables	12,071,505	4,005,198
Escrows and deposits	1,070,066	1,043,150
Deferred revenues, less current portion	1,038,427	2,057,042
Accrued interest, less current portion	12,336,163	10,896,295
Notes payable and lines of credit, less current portion, net	6,934,901	7,715,439
Mortgages payable, less current portion, net	172,694,893	156,161,048
Lease liability, less current portion	811,167	-
Total liabilities	<u>229,433,087</u>	<u>191,371,939</u>
Net assets without donor restrictions:		
Undesignated	32,795,147	27,481,095
Noncontrolling limited partner interests	66,757,329	68,441,296
Total net assets without donor restrictions	<u>99,552,476</u>	<u>95,922,391</u>
Net assets with donor restrictions	6,670,759	8,323,569
Total net assets	<u>106,223,235</u>	<u>104,245,960</u>
Total liabilities and net assets	<u>\$ 335,656,322</u>	<u>\$ 295,617,899</u>

See accompanying notes to consolidated financial statements.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues and support:				
Contributions	\$ 3,659,412	\$ 3,614,765	\$ 7,274,177	\$ 20,395,692
Net assets released from program and time restrictions	5,267,575	(5,267,575)	-	-
Government grants	13,294,654	-	13,294,654	9,722,707
United Way	436,450	-	436,450	430,700
Rental revenues, net	17,165,164	-	17,165,164	15,141,733
Program service fees	905,853	-	905,853	630,811
Developer fees	3,238,093	-	3,238,093	1,549,904
Other income	97,093	-	97,093	535,680
Interest income	758,501	-	758,501	292,274
Total revenues and support	<u>44,822,795</u>	<u>(1,652,810)</u>	<u>43,169,985</u>	<u>48,699,501</u>
Expenses:				
Program services:				
Housing stability	40,970,061	-	40,970,061	37,815,447
Career readiness	6,824,399	-	6,824,399	6,273,538
Total program services	<u>47,794,460</u>	<u>-</u>	<u>47,794,460</u>	<u>44,088,985</u>
General and administrative	5,612,001	-	5,612,001	5,439,980
Fundraising	1,238,733	-	1,238,733	1,016,801
Total expenses	<u>54,645,194</u>	<u>-</u>	<u>54,645,194</u>	<u>50,545,766</u>
Change in net assets before nonoperating activity	(9,822,399)	(1,652,810)	(11,475,209)	(1,846,265)
Gain from investments, net	136,779	-	136,779	298
Gain on sale of properties	1,623,960	-	1,623,960	171,963
Net gain on New Markets financing maturity	2,038,551	-	2,038,551	-
Start up costs	(31,321)	-	(31,321)	-
Noncontrolling limited partner interests in losses and transfer	<u>9,806,150</u>	<u>-</u>	<u>9,806,150</u>	<u>11,065,944</u>
Change in net assets for controlling interest	3,751,720	(1,652,810)	2,098,910	9,391,940
Capital contributions from noncontrolling interests, net	9,985,504	-	9,985,504	1,498,862
Syndication costs	(300,989)	-	(300,989)	-
Distributions	-	-	-	(13,245)
Noncontrolling limited partner interests in losses and transfer	<u>(9,806,150)</u>	<u>-</u>	<u>(9,806,150)</u>	<u>(11,065,944)</u>
Change in net assets	<u>3,630,085</u>	<u>(1,652,810)</u>	<u>1,977,275</u>	<u>(188,387)</u>
Net assets, beginning of year	<u>95,922,391</u>	<u>8,323,569</u>	<u>104,245,960</u>	<u>104,434,347</u>
Net assets, end of year	<u>\$ 99,552,476</u>	<u>\$ 6,670,759</u>	<u>\$ 106,223,235</u>	<u>\$ 104,245,960</u>
Reconciliation of net assets:				
Noncontrolling interests:				
Beginning of year			\$ 61,874,726	\$ 71,455,053
Noncontrolling limited partner interests in losses			(8,332,324)	(6,253,745)
Capital contributions, net			9,684,515	1,498,862
Transfers			(1,473,826)	(4,812,199)
Distributions			-	(13,245)
End of year			<u>61,753,091</u>	<u>61,874,726</u>
Controlling interest:				
Beginning of year			42,371,234	32,979,294
Transfers			1,473,826	4,812,199
Change in net assets			625,084	4,579,741
End of year			<u>44,470,144</u>	<u>42,371,234</u>
Total			<u>\$ 106,223,235</u>	<u>\$ 104,245,960</u>

See accompanying notes to consolidated financial statements.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

	2024						2023
	Program services			General and administrative	Fund-raising	Total expenses	
	Housing stability	Career readiness	Total programs				
Salaries	\$ 6,988,892	\$ 3,816,716	\$ 10,805,608	\$ 2,734,023	\$ 709,231	\$ 14,248,862	\$ 13,359,302
Payroll taxes	499,119	264,847	763,966	202,217	44,055	1,010,238	945,897
Employee benefits	1,201,647	648,966	1,850,613	659,742	111,504	2,621,859	2,195,316
Total salaries and related	8,689,658	4,730,529	13,420,187	3,595,982	864,790	17,880,959	16,500,515
Rental and other direct client assistance	2,386,704	993,539	3,380,243	31,554	-	3,411,797	3,944,454
Professional fees and contracted services	803,252	547,848	1,351,100	562,589	104,850	2,018,539	2,027,831
Office administration and support	1,722,198	132,692	1,854,890	455,544	109,388	2,419,822	2,535,987
Conferences and meetings	10,627	22,208	32,835	44,432	1,601	78,868	69,286
Staff development and appreciation	95,257	28,127	123,384	101,248	364	224,996	235,972
Marketing and promotion	106,887	12,431	119,318	86,168	157,006	362,492	250,391
Transportation	128,840	33,340	162,180	24,772	512	187,464	186,987
Bad debts / loss allowance	749,922	38,108	788,030	-	-	788,030	35,283
Insurance	1,962,685	2,203	1,964,888	199,893	-	2,164,781	1,392,222
Building operations expenses	12,347,326	24,382	12,371,708	222,724	-	12,594,432	13,592,496
Rent	31,711	207,632	239,343	-	-	239,343	43,078
Depreciation and amortization	9,386,883	50,429	9,437,312	240,249	-	9,677,561	7,884,090
Interest and other bank fees	2,548,111	931	2,549,042	46,846	222	2,596,110	1,847,174
	<u>\$ 40,970,061</u>	<u>\$ 6,824,399</u>	<u>\$ 47,794,460</u>	<u>\$ 5,612,001</u>	<u>\$ 1,238,733</u>	<u>\$ 54,645,194</u>	<u>\$ 50,545,766</u>

See accompanying notes to consolidated financial statements.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 1,977,275	\$ (188,387)
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation and amortization	9,677,561	7,884,090
Interest expense - amortization of finance fees	182,883	46,359
Gain from investments	(136,779)	(298)
Gain on sale of properties	(1,623,960)	(171,963)
Net gain on New Markets financing maturity	(2,038,551)	-
Bad debts	1,403,923	890,186
Deferred excess master lease rent	(9,404)	-
Amortization of deferred grant	(54,371)	(54,371)
Reduction of right of use asset	68,700	-
Capital contributions, net	(9,985,504)	(1,498,862)
Payment of syndication fees	300,989	-
Changes in operating assets and liabilities:		
Receivables	(1,457,622)	(3,658,398)
Inventories	38,108	3,509
Prepaid expenses and other assets	509,378	407,300
Property held for sale	38,728	(97,892)
Accounts payable	926,492	279,144
Accrued expenses and other liabilities	2,618,093	1,096,782
Deferred revenues	(1,062,710)	1,097,629
Lease liability	(41,671)	-
Net cash from operating activities	<u>1,331,558</u>	<u>6,034,828</u>
Cash flows from investing activities:		
Purchase of property and equipment	(74,031,393)	(31,340,892)
Proceeds from sale of properties	3,825,000	610,000
Purchase of investments	(1,550,000)	-
Energy rebate receivable	(443,974)	-
Sales tax refund receivable	(150,248)	-
Net cash from investing activities	<u>(72,350,615)</u>	<u>(30,730,892)</u>
Cash flows from financing activities:		
Repayment of notes payable and lines of credit	(277,129)	(761,263)
Proceeds from issuance of mortgages payable	73,012,156	33,237,448
Repayment of mortgages payable	(14,254,993)	(1,412,698)
Payment of syndication fees	(300,989)	-
Payment of finance and tax credit fees	(1,308,256)	-
Capital contributions from noncontrolling interests, net	9,985,504	1,485,617
Net cash from financing activities	<u>66,856,293</u>	<u>32,549,104</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(4,162,764)	7,853,040
Cash, cash equivalents, and restricted cash - beginning of year	<u>36,774,186</u>	<u>28,921,146</u>
Cash, cash equivalents, and restricted cash - end of year	<u>\$ 32,611,422</u>	<u>\$ 36,774,186</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 695,350	\$ 1,078,437
Noncash investing and financing activities:		
Property and equipment additions in accounts payable and accrued liabilities	\$ 11,977,788	\$ 4,005,198
Right of use asset obtained in exchange for lease liability	\$ 920,751	\$ -
Reconciliation to the statement of financial position:		
Cash and cash equivalents	\$ 14,106,315	\$ 16,465,604
Cash - comprehensive campaign	-	1,543,845
Cash - construction escrows	2,691,005	510,449
Cash - custodial	1,211,268	1,605,559
Cash - working capital fund	264,497	3,306,750
Property reserves	14,338,337	13,341,979
	<u>\$ 32,611,422</u>	<u>\$ 36,774,186</u>

See accompanying notes to consolidated financial statements.

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 1. ORGANIZATION

Project for Pride in Living, Inc. is a nonprofit organization that builds the hope, assets, and self-reliance of individuals and families who have lower incomes by providing transformative affordable housing and employment readiness services. Project for Pride in Living, Inc. and its affiliates (collectively PPL) operate in the Minneapolis and Saint Paul, Minnesota metropolitan area.

PPL implements its mission in the following core program areas:

**Housing Stability** - This PPL program provides more than 1,550 units of affordable, multi-family residential rental housing for low-income individuals and families. The program includes PPL Properties and limited partnerships in which PPL is a general partner. The program also provides feasibility analysis, pre-development, development, and construction management of affordable rental and for-sale housing, and asset management and property management of multi-family residential properties. PPL also manages affordable housing with other owners.

PPL works directly with families and children to make the transition from poverty and instability to economic independence and healthy, integrated living. The services provided take a holistic and comprehensive approach to assisting families while providing a range of support services and links to community resources. PPL also provides housing and comprehensive support services to disabled homeless adults, often with mental illness and chemical dependency.

**Career Readiness** - This PPL program assists in the economic advancement of individuals through free employment training workshops, classes and certificate programs. Our integrated services focus on helping each individual overcome their barriers to employment and job retention. In addition, PPL assists families working with the Minnesota Family Investment Program (MFIP) through the Connections to Work program and job seekers work attire through Ready for Success.

PPL aims to assist people towards self-sufficiency by offering high quality educational and employment services in partnership with the community. This includes two alternative high schools which are under contract with the Minneapolis Public Schools District. In addition to the two alternative schools, PPL also connects youth to education and training programs through Learn and Earn to Achieve Potential (LEAP), a collective impact model consisting of seven alternative schools, Hennepin County, and Minneapolis Public Schools.

PPL's programs are primarily supported by rental revenues, government grants, contributions, developer fees, and program service fees.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Statement Presentation** - Revenues and support are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired. Net assets without donor restrictions are available for programs and supporting services at the discretion of management and the board of directors.
- Net assets with donor restrictions are contributions restricted by donors for specific purposes or time periods. Some donor-imposed restrictions are temporary in nature, such as those that will be met with 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. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions on the consolidated statement of activities.

PPL has presented limited partner capital contributions plus other activity separate from operating results because PPL believes the presentation better assists users of the consolidated financial statements with analyzing its operating results.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles 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 those estimates.

The most significant estimates are the allowance for doubtful accounts, estimated useful lives of property and equipment, costs incurred by PPL relating to developer fee revenue, allocation of expenses by function, and the carrying amount of property under development and held for sale.

**Principles of Consolidation** - The consolidated financial statements include Project for Pride in Living, Inc. (parent organization); PPL Properties, an affiliated nonprofit organization whose board is controlled by PPL which wholly owns single-purpose limited liability companies (LLC's); PPL Investment Corporation, an affiliated nonprofit organization whose board is controlled by PPL organized as a supporting organization for the New Markets Tax Credits; and limited partnerships in which PPL has a controlling interest as a general partner.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All significant inter-entity accounts and transactions have been eliminated with the exception of developer fees.

Developer fees are recorded as revenue by PPL and capitalized as property of the limited partnerships and the LLC's as they are considered a reimbursement of salaries and benefits, overhead, consultants, and other expenses.

Under generally accepted accounting principles, there is a presumption that a nonprofit general partner in a limited partnership has control over that partnership, regardless of the percentage of ownership. Therefore, PPL has consolidated these entities unless another general partner has control. The partnership interests generally range from .01% to 1.0% with the remainder of the partnership equity held by investor limited partners. The interests of the noncontrolling limited and general partners have been included in net assets without restrictions and the change in net assets without restrictions.

**Cash and Cash Equivalents** - PPL considers all highly liquid investments purchased with original maturities of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

**Cash - Comprehensive Campaign** - These are restricted funds collected through the Building Ladders Comprehensive Campaign.

**Cash - Construction Escrows** - These are primarily funds held at a title company to be used for properties under construction.

**Cash - Custodial** - These are primarily funds held by PPL for tenant security deposits and a Minnesota Housing Finance Agency emergency repair program.

**Cash - Working Capital Fund** - These are funds donated to PPL and internally designated to be used to finance predevelopment costs for rental property developments.

**Property Reserves** - Property reserves are funds held in accordance with the terms of long-term debt, limited partnership, and LLC organizational agreements. PPL is required to maintain the property reserves primarily for future use in property replacements and improvements, operating reserves, and debt service.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments** - Investments are carried at fair value. Realized and unrealized gains and losses are included in the consolidated statement of activities.

**Fair Value Measurements** - PPL determines fair value, when necessary, based on the assumptions that market participants would use when pricing the asset or liability. Valuation inputs are categorized using the following fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs that are observable, directly or indirectly, other than the quoted prices included in Level 1; and
- Level 3 - inputs that are unobservable for the asset or liability, which are typically based on an organization's own assumptions, as there is little, if any, related market activity.

**LLC Investments** - PPL has noncontrolling investments in two LLC's and one LP. These investments are recorded using the equity method of accounting.

**Receivables - Allowances** - Tenant and rental subsidy receivables are stated at the amount management expects to collect. Management periodically assesses the collectability of receivables and establishes an allowance for accounts deemed to be uncollectible based on historical experience, relevant economic conditions, and the financial stability of the tenants. Changes to the allowance are charged to bad debts, which is presented as an adjustment of rental revenue.

Trade and other receivables are recorded at the invoiced amount and are reported net of an allowance for doubtful accounts. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with customer, current economic industry trends, and changes in customer payment terms.

Loans to a consolidated affordable housing project that are funded by grant revenue are fully allowed for, with a charge to inter-entity expense at the time of the loan, when collection is not expected.

**Inventories** - Inventories consist primarily of goods held for resale and are stated at the lower of cost or fair value as determined on a specific identification basis. Donated inventories are recorded at their estimated fair value, on the date of contribution.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases** - PPL assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position. PPL currently has one lease with a term of greater than 12 months, which is classified as an operating lease.

Right of use (ROU) assets represent PPL's right to use an underlying asset for the lease term, and lease liabilities represent PPL's obligation to make lease payments. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. PPL uses the implicit rate when it is readily determinable. When the leases do not provide an implicit rate, management uses a risk-free rate to determine the present value of lease payments.

Lease expense is recognized on a straight-line basis over the lease term.

**Other Assets - Tax Credit Fees** - Tax credit fees are amortized over the related term benefited using the straight-line method.

**Property Under Development and Held For Sale** - Property under development is stated at cost, unless such costs would not be recovered from the cash flow generated from sales or closing of limited partnership equity and financing. Costs consist primarily of land, legal, architectural, construction and other costs incurred to date. After development is substantially complete, costs such as utilities, maintenance, and interest are charged to expense. Property held for sale is stated at the lower of cost or fair value, as determined on a specific identification basis.

**Property and Equipment** - Property and equipment are carried at cost, with the exception of donated items which are recorded at fair market value at date of gift. Depreciation is provided for on a straight-line basis over the estimated useful life of each asset. The cost of maintenance and repairs is charged to expense as incurred; significant renewals or betterments are capitalized.

Absent donor restrictions regarding how long donated assets must be maintained, PPL reports expiration of donor restrictions when the donated or acquired assets are placed in service.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Impairment** - Management reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. In such circumstances, PPL evaluates the recoverability of long-lived assets by comparing the carrying amount of the assets against the estimated undiscounted future cash flows associated with such assets. At the time such evaluations indicate that the future undiscounted cash flows of a long-lived asset are not sufficient to recover the carrying value of such asset, the asset is adjusted to its fair value.

**Finance Fees** - Finance fees are amortized over the related term benefited using the straight-line method and reported as deductions from the face amount of the related debt. Amortization is included in interest expense on the consolidated statement of functional expenses.

**Contingent Liabilities** - PPL provides guarantees for operating deficits, tax credits and construction completion to investors in partnerships. Management believes there are no significant contingent liabilities to record.

**Warranty Costs** - PPL provides its homebuyers a limited warranty as required by state statutes. PPL contracts with builders who provide PPL an indemnity for claims relating to workmanship and materials. PPL's historic warranty costs have been minimal.

**Contributions - Pledges** - Contributions are recognized when the donor makes an unconditional promise to give to PPL. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without restrictions on the consolidated statement of activities. Contributions with donor-imposed restrictions that expire in the same fiscal year the contribution is recognized are reported as net assets without donor restrictions.

**Contributed Materials** - Contributed materials are recorded as contributions, when received, at their fair value. PPL received donated inventories in 2023 as noted (See Note 21). No donated inventories were received in 2024.

**Contributed Services** - Unpaid volunteers have made significant contributions of their time to PPL's programs. The fair value of this contributed time is reflected in these statements only if the services create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. No contributed services were recorded in 2024 and 2023.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**United Way Revenue Recognition** - Funding awards from the Greater Twin Cities United Way are conditional and are recorded in the year the United Way board approves the funding.

**Government Grants** - Government grants are accounted for as contributions. Government grants are generally conditional and are recorded when conditions are substantially met. Conditions are substantially met when eligible expenditures are incurred, or certain requirements as specified in the agreements are met.

**Real Estate Revenues** - Revenue from residential rents and services is recognized over the period for which rent is due or in the period the service is performed. Prepaid rent is recorded as deferred revenue.

Sales of real estate are recorded at the time of closing of the sale, when title to and possession of the property are transferred to the buyer. Cost of sales is based on direct costs when available.

Developer fees from limited partnerships which have been or are expected to be collected from capital contributions or debt proceeds have not been eliminated. These fees are considered a reimbursement of salaries and benefits, overhead, consultants, and other expenses. Revenue is recognized over time as these expenses are incurred.

Program service fees include property management, asset management, maintenance and security services for properties controlled by PPL and others. Revenue is recognized over time when the service is provided. Related party revenues other than developer fees have been eliminated in the consolidated financial statements.

Real estate revenue received in advance are recorded as deferred revenue until earned.

**Functional Expenses** - Expenses are recorded to program and supporting services directly when possible. The consolidated financial statements include certain categories of expenses attributed to more than one program or supporting function. The expenses that are allocated within the Consolidated Statement of Functional Expenses include building operations expenses, which is allocated on a square footage basis; technology and related depreciation, which is allocated within office administrative and support based on number of computer users; phones, which is allocated within office administrative and support based on number of phones used by each program; and employees whose responsibilities cross functional areas, which are allocated based on time spent within programs.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising Costs** - Advertising costs are charged to expense during the year in which they are incurred.

**Prior Year Summarized Comparative Information** - The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional area. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with PPL's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**Income Taxes** - Project for Pride in Living, Inc., PPL Properties, and PPL Investment Corporation are classified as tax-exempt organizations under Minnesota Statute 290.05 and Section 501(c)(3) of the Internal Revenue Code, are exempt from private foundation status under Section 509(a)(1) of the Internal Revenue Code, and are subject to income taxes only on net unrelated business income. Management believes these organizations did not have any unrelated business income in 2024 or 2023. Management believes PPL does not have any uncertain tax positions that are material to the financial statements.

The limited partnerships and limited liability companies are not taxable entities. Income or losses are passed through to the partners or members.

### 3. **LIQUIDITY AND AVAILABILITY OF RESOURCES**

As part of PPL's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. PPL has invested excess cash in short-term investments. For purposes of analyzing resources available to meet general expenditures over the next year, PPL considers all expenditures related to its ongoing activities. PPL currently has a line of credit established which is solely used for housing development and not general expenditures (See Note 10).

Financial assets held by limited partnerships and limited liability companies are generally limited to use within the individual entities by investors or lenders and are not available to PPL. These entities adopt an annual budget and anticipate collecting sufficient revenue to fund general expenditures. Budget to actual results are monitored each month. Individual entities with cash flow deficiencies are placed on a monitoring list whose operating performance is more heavily scrutinized by senior management.

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Agreements require that escrows and reserves be funded to provide for significant recurring expenditures, and that reserves be funded for capital replacements for the properties and other nonrecurring expenditures and liquidity needs. In situations where agreements do not stipulate escrows and reserves, management has set aside funds themselves.

PPL's financial assets available for general expenditure within one year of the Consolidated Statement of Financial Position date are as follows:

	2024			
	PPL	PPL Investment Corporation and Properties	Limited Partnerships	Consolidated
Cash and cash equivalents	\$ 9,978,098	\$ 2,159,204	\$ 1,969,013	\$ 14,106,315
Investments	3,708,702	-	-	3,708,702
Receivables, net	3,537,239	908,283	1,756,128	6,201,650
Total financial assets available within one year	17,224,039	3,067,487	3,725,141	24,016,667
Less:				
Cash – restricted, reserves and escrows	-	(211,259)	-	(211,259)
Total financial assets available within one year	\$ 17,224,039	\$ 2,856,228	\$ 3,725,141	\$ 23,805,408

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

	2023			
	PPL	PPL Investment Corporation and Properties	Limited Partnerships	Consolidated
Cash and cash equivalents	\$ 12,469,403	\$ 2,635,410	\$ 1,360,791	\$ 16,465,604
Cash – comprehensive campaign	1,543,845	-	-	1,543,845
Investments	1,993,247	-	-	1,993,247
Receivables, net	2,508,269	5,692,399	1,983,466	10,184,134
Total financial assets available within one year	18,514,764	8,327,809	3,344,257	30,186,830
Less:				
NMTC note receivable	-	(4,829,500)	-	(4,829,500)
Cash – internal designations, reserves and escrows	(1,543,845)	(632,755)	-	(2,176,600)
Total financial assets available within one year	\$ 16,970,919	\$ 2,865,554	\$ 3,344,257	\$ 23,180,730

PPL has adopted a General Operating Cash Reserve policy which is managed by staff and monitored by the Finance and Audit Committee. The purpose of the policy is to ensure the stability of PPL’s mission, programs, employment, and ongoing operations. The reserve includes general cash, the real estate development account, and the investment accounts. A target benchmark is used to measure the health of the reserve, generally an amount sufficient to maintain ongoing operations equal to three months of operating costs.

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 4. INVESTMENTS

Investments consist of the following:

	2024		
		Level 1	Level 2
Cash and bank sweep	\$ 564,432	\$ -	\$ -
U.S. Treasuries	765,832	-	765,832
Corporate bonds	343,004	-	343,004
Municipal bonds	363,260	-	363,260
Exchange traded funds	1,672,174	1,672,174	-
	\$ 3,708,702	\$ 1,672,174	\$ 1,472,096
		2023	
		Level 1	Level 2
Cash and bank sweep	\$ 25,670	\$ -	\$ -
U.S. government money market fund	240,000	240,000	-
U.S. Treasuries	592,927	-	592,927
Corporate bonds	69,118	-	69,118
Municipal bonds	502,685	-	502,685
Exchange traded funds	562,847	-	562,847
	\$1,993,247	\$ 240,000	\$ 1,727,577

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 5. RECEIVABLES

Receivables consist of the following:

	2024	2023
Tenant receivables	\$ 1,826,394	\$ 2,566,596
Trade and other receivables	1,659,232	1,434,520
Sales tax receivable	859,326	-
Note receivable	-	4,829,500
Government grants receivable	1,729,900	999,569
Pledges receivable	941,259	2,417,000
	7,016,111	12,247,185
Less allowance for doubtful accounts	(612,072)	(1,067,345)
	6,404,039	11,179,840
Less current receivables	(6,201,650)	(10,184,134)
	\$ 202,389	\$ 995,706

Pledges receivable of \$941,259 are due in 2025.

Government grants receivable is due to be collected in 2025.

PPL Investment Corporation had a \$4,829,500 note receivable in connection with the New Markets Tax Credits with 2% interest. Interest was payable monthly through the maturity date, October 20, 2024, at which time all remaining principal and accrued interest were due. The note was secured by a pledge of the borrower's interest in the CDE and was forgiven in full in 2024. (See Note 18).

#### 6. OTHER ASSETS

Other assets consist of the following:

	2024	2023
Tax credit fees, net	\$ 387,217	\$ 293,231
Beneficial interests in marketable securities held by community foundations	111,266	105,949
Other	222,695	106,726
	\$ 721,178	\$ 505,906

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 7. INVESTMENTS IN PARTNERSHIPS AND LLC'S

In order to achieve its mission, PPL forms partnerships with for-profit investors. These partnerships own and operate apartment buildings in the Minneapolis and Saint Paul metropolitan area. PPL's interests in partnerships range from .01 to 1.0%. A number of the partnerships have raised capital through the sale of housing tax credits to for-profit investors.

In accordance with generally accepted accounting principles, PPL, as general partner, is considered to have a controlling interest in these partnerships. Accordingly, the partnerships have been included in these consolidated financial statements. At December 31, 2024, 21 partnerships have been consolidated.

In addition, PPL Properties wholly owns and operates apartment buildings incorporated as LLC's. Properties in the predevelopment stage are also owned by PPL Properties.

PPL has a 50% interest in two LLC's at December 31, 2024 and 2023. Total assets were \$3,732,361 and \$3,517,457 and total liabilities were \$3,886,971 and \$3,963,779 at December 31, 2024 and 2023. Total revenue was \$501,198 and \$169,797 and net loss was \$252,501 and \$284,346 in 2024 and 2023.

PPL is a co-general partner in an LP and has a .05% interest. Accordingly, the partnership has not been consolidated in the consolidated financial statements.

### 8. PROPERTY UNDER DEVELOPMENT AND HELD FOR SALE

Property under development and held for sale consist of the following:

	<u>2024</u>	<u>2023</u>
PPL Homes – properties held for sale	<u>\$ 459,055</u>	<u>\$ 452,675</u>

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 8. PROPERTY UNDER DEVELOPMENT AND HELD FOR SALE (Continued)

	2024	2023
Ford Site – rental properties in development	\$ -	\$ 35,804,224
Simpson – rental property in pre-development	3,756,369	414,062
Union Congregational Church – rental property in development	-	6,261,607
East 7th - rental property in pre-development	5,102,798	243,700
3030 Nicollet – rental property in development	20,422,358	1,672,301
Other projects	29,885	82,014
	\$ 29,311,410	\$ 44,477,908

#### 9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023	Estimated useful lives - years
Program facilities:			
Land	\$ 925,485	\$ 985,485	-
Buildings and improvements	12,705,900	15,378,947	10-30
Equipment	3,206,998	3,275,639	3-7
Leasehold improvements	554,418	-	10
Work in progress	5,944	-	
	17,398,745	19,640,071	
Less accumulated depreciation	(7,131,888)	(8,959,226)	
Program facilities, net	10,266,857	10,680,845	
Rental properties:			
Land and land improvements	39,291,576	31,642,229	0-15
Buildings and improvements	288,989,309	236,303,340	25-40
Equipment	14,950,418	4,905,897	3-7
	343,231,303	272,851,466	
Less accumulated depreciation	(92,350,164)	(84,020,758)	
Rental properties, net	250,881,139	188,830,708	
Combined total	\$261,147,996	\$199,511,553	

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 9. PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended December 31, 2024 and 2023, was \$9,410,061 and \$7,609,985.

During 2023, PPL College House LLC, an entity wholly owned by PPL Properties, sold its land and building for \$610,000. During 2024, Park Crossing, an entity wholly owned by PPL Properties, was sold for \$1,875,000 and the Learning Center, an entity wholly owned by PPL Properties, was sold for \$1,950,000.

### 10. NOTES PAYABLE AND LINES OF CREDIT

Notes payable and lines of credit are used primarily for housing developments, are generally due upon sale and, except where designated, are secured by the underlying real estate.

	<u>2024</u>	<u>2023</u>
Bremer Bank term loan with interest at 3.50% due on May 5, 2026. Monthly payments of \$2,827 were required. This Note was paid in full during 2024.	\$ -	\$ 227,097
\$1,000,000 Wells Fargo EQ2 note payable with interest at 2%, due in December 2026. Quarterly payments of \$125,000 begin January 1, 2025. Unsecured.	1,000,000	1,000,000
\$1,250,000 US Bank CRA and EQ2 notes payable with Interest at 2.65%, due on March 7, 2025, with automatic 1 year extensions through March 7, 2028. Unsecured.	1,250,000	1,250,000
\$1,000,000 BMO Harris Bank EQ2 note payable with interest at 4% due March 31, 2030. Unsecured.	1,000,000	1,000,000

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 10. NOTES PAYABLE AND LINES OF CREDIT (Continued)

	2024	2023
\$500,000 Propel Nonprofits line of credit with interest at 5.75%, matures on August 16, 2025. Secured by real estate and other assets.	41,028	41,079
\$4,000,000 Ameriprise EQ2 notes payable dated November 21, 2021, with interest at 2% per annum with an initial maturity of November 21, 2031, with automatic year extensions through November 21, 2036. Proceeds are being used to redevelop 3030 Nicollet Avenue South.	4,000,000	4,000,000
Government agency and other loans for housing projects.	314,161	364,142
	7,605,189	7,882,318
Less current maturities	(670,288)	(166,879)
	\$ 6,934,901	\$ 7,715,439

Maturities of notes payable and lines of credit are as follows:

	Amortizing	EQ2/CRA	Line of Credit	Pre- Development	Other	Total
2025	\$ -	\$ 500,000	\$ 41,028	\$ -	\$ 129,241	\$ 670,269
2026	-	500,000	-	-	-	500,000
2027	-	-	-	-	-	-
2028	-	1,250,000	-	-	-	1,250,000
2029	-	-	-	-	184,920	184,920
Thereafter	-	1,000,000	-	4,000,000	-	5,000,000
	\$ -	\$ 3,250,000	\$ 41,028	\$ 4,000,000	\$ 314,161	\$ 7,605,189

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 11. MORTGAGES PAYABLE

PPL is subject to debt covenants under the terms of various debt agreements. These covenants require, among other things, that PPL maintain certain levels of debt to equity and current ratios. Management believes these covenants have been met.

Mortgages payable consist of first, second, and third mortgages secured by rental properties, properties held for sale, or properties under development. Mortgages are primarily from government agencies.

Interest expense for notes and mortgages payable for the years ended December 31, 2024 and 2023, was \$2,326,798 and \$1,590,381.

Mortgages payable consist of the following:

	<u>2024</u>	<u>2023</u>
Amortizing mortgages on rental properties with interest rates of 0% to 9%, due in varying monthly installments through 2058.	\$ 53,473,266	\$ 12,712,092
Non-amortizing mortgages on rental properties with interest rates of 0% to 9%, with principal payments deferred through 2061.	<u>137,060,625</u>	<u>150,069,624</u>
	190,533,891	162,781,716
Less unamortized fees	<u>(1,799,663)</u>	<u>(970,228)</u>
	188,734,228	161,811,488
Less current maturities	<u>(16,039,335)</u>	<u>(5,650,440)</u>
	<u>\$ 172,694,893</u>	<u>\$ 156,161,048</u>

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 11. MORTGAGES PAYABLE (Continued)

Maturities of mortgages payable are as follows:

2025	\$	16,039,335
2026		569,411
2027		1,681,823
2028		633,974
2029		1,992,711
Thereafter		<u>167,816,974</u>
	<u>\$</u>	<u>188,734,228</u>

#### 12. NET ASSETS

Net assets with donor restrictions are available for the following purposes or time periods:

	2024	2023
<b>Subject to expenditure for specified purpose:</b>		
Housing Stability	\$ 4,274,002	\$ 1,860,000
Career Readiness	612,180	2,100,000
Building Ladders Comprehensive Campaign	-	1,543,845
	<u>4,886,182</u>	<u>5,503,845</u>
<b>Subject to the passage of time:</b>		
For future periods	1,641,367	2,676,514
<b>To be held in perpetuity:</b>		
Scholarships and operating support	<u>143,210</u>	<u>143,210</u>
	<u>\$ 6,670,759</u>	<u>\$ 8,323,569</u>

Net assets of \$143,210 in 2024 and 2023 to be held in perpetuity result from restrictions on contributions received from donors. A portion of restricted net assets is included in other assets. Earnings are available for operating support and scholarships.

PPL received several unanticipated large gifts in 2023 totaling \$12.5 million. PPL management recommended and the Board approved a five-year investment strategy for these funds to support the long term financial health of the organization. In conjunction with that plan, the board has designated \$7,236,360 to be used in subsequent years in alignment with that plan.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 13. RETIREMENT PLAN

PPL has a 403(b) thrift plan covering employees on the first day of the month immediately following their date of hire. Employer contributions are at the discretion of the Board of Directors. Contributions were \$266,541 in 2024 and \$279,532 in 2023.

### 14. GUARANTEES

PPL issues guarantees in the course of developing properties with investor limited partners. The guarantees are issued in favor of limited partner investors or lenders.

Tax credit guarantees are commitments to compensate the investor limited partners if there is a shortfall or reduction in anticipated tax credits.

Operating deficit guarantees are commitments to fund future operating deficits of the partnership. The guarantees are issued to the tax credit limited partnerships, and generally are for three to five years after the project has achieved break-even operations, or a certain debt service coverage ratio.

Development completion guarantees are commitments to fund the development and lease up of a project if the expected amount of permanent financing is not received, or the cost of the development exceeds the expected financing and equity received.

Management regularly reviews the guarantees. Management has identified four current projects that could potentially trigger guarantees. Based on historical performance, management has determined the likelihood PPL will be required to fund a guarantee is minimal. Accordingly, no liability is recorded.

### 15. COMMITMENTS AND CONTINGENCIES

Housing tax credits for limited partnerships are contingent on maintaining compliance with applicable sections of Internal Revenue Code Section 42 over a fifteen-year compliance period. Failure to maintain compliance with occupant eligibility or other requirements or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require repayment of capital contributed by investor limited partners.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 15. **COMMITMENTS AND CONTINGENCIES (Continued)**

PPL operates a self-funded Health Reimbursement Arrangement (HRA) plan for the benefit of its employees. Each employee is allocated a fixed amount to use for health insurance costs. Unused allocations from prior years are carried over to future years up to a certain amount. The funds allocated are tracked internally and are contingent upon use. Employees have no rights to the funds should they leave PPL. Because of the nature of the contingency, no liability has been recorded in these consolidated financial statements.

Expenditures under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, the disallowance will be recorded at the time the assessment for refund is made.

Several properties owned by PPL were funded with government grants and forgivable loans. These grants are subject to a number of requirements, including those properties be used as affordable housing for a period of time. Based on PPL's mission, management believes violation of the agreements and repayment of these grants and loans is not likely.

A PPL building experienced significant damage from hail in August 2023. In 2024, repairs of \$624,556 were completed and \$501,234 was covered by insurance.

PPL is involved in litigation arising in the ordinary course of business. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or changes in net assets of PPL.

### 16. **CONCENTRATIONS**

PPL places its cash with several financial institutions. The amount on deposit exceeds the insured limit of the institutions and exposes PPL to a credit risk. Management reviews the credit worthiness of financial institutions on a regular basis.

PPL operates in the Minneapolis and Saint Paul, Minnesota metropolitan area. All real estate owned and under development is located in that area.

PPL received two large gifts in 2023 totaling \$10.5 million or 22% of PPL's operating revenues and support. PPL management developed a five-year spending plan related to these gifts to avoid fiscal cliffs and support long term financial stability for the organization.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 17. **CONDITIONAL CONTRIBUTIONS**

PPL has received funding commitments from the United Way for its programs. The funding is contingent upon the United Way raising the funds and annual approval by its board and will be recorded when approved.

The United Way commitments are summarized below:

2025	\$ 365,352
2026	<u>150,000</u>
	<u>\$ 515,352</u>

Wells Fargo made a conditional promise of \$1,000,000 dependent on PPL completing the construction of the 3030 Nicollet property. The contribution was recognized when the conditions were met. The grant required PPL to fund an escrow account totaling \$2,000,000 to hold both the conditional Wells Fargo gift and a previous \$1,000,000 Wells Fargo gift until construction completion. The project closed in 2024 and the funds were recognized as restricted revenue.

At December 31, 2024, PPL has received approximately \$18,000,000 of pledges from governmental agencies that are conditional upon incurring eligible expenditures or performance of certain activities. These amounts will be recognized as revenue in the periods in which the conditions are met.

The 2023 Minnesota state legislature approved a cumulative appropriation of more than \$1 billion for housing over the next biennium. PPL qualified for the Stable Housing Organization Relief Program (SHORP) and was awarded a one-time relief payment of \$2,803,812. The funds were recorded and received in 2024.

### 18. **NEW MARKETS TAX CREDIT FINANCING**

To partially fund the construction of the Franklin Theater project, PPL entered into a New Markets Tax Credit (NMTC) financing arrangement. The NMTC program is designed to spur new or increased investments into operating businesses and real estate projects located in low-income communities by offering investors a federal tax credit in exchange for the investments.

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 18. NEW MARKETS TAX CREDIT FINANCING (Continued)

To earn the tax credit, the NMTC investor was required to remain invested for a seven-year period, which ended in 2024 for the project. As part of this financing arrangement, PPL Investment Corporation loaned \$4,829,500 to an investment fund. The loan was funded in part by a \$4,500,000 loan from Sunrise Banks and was forgiven in 2024.

This investment fund in turn made a \$7,000,000 investment in a Community Development Entity (CDE) and held a 99.99% investor member interest in the CDE. The CDE made a loan totaling \$6.86 million to PPL Admin LLC, a wholly owned subsidiary of PPL Properties, for the project. This loan was forgiven in 2024.

PPL Investment Corporation and the investor entered into a put and call agreement that took place at the end of the seven-year tax credit period. Under the agreement, the NMTC investor exercised a put option to sell all its interest in the investment fund to PPL Investment Corporation for \$1,000 plus costs. PPL Investment Corporation purchased the put option on September 26, 2024.

On December 27, 2024, PPL began the process to dissolve the PPL Investment Corporation.

### 19. DEVELOPMENTS

The limited partners of PPL Bunge, Nellie Francis Court, Emma Norton, East 7<sup>th</sup>, 3030 NicLake, Simpson Housing, and Union Park have agreed to make capital contributions to the Partnerships. The capital contributions will be made once certain conditions have been met. At December 31, 2024, remaining capital contributions expected to be paid are:

2025	\$ 30,423,310
2026	<u>33,147,098</u>
	<u>\$ 63,570,408</u>

(Continued)

# PROJECT FOR PRIDE IN LIVING, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

### 19. DEVELOPMENTS (Continued)

Construction began for East 7<sup>th</sup>, 3030 NicLake, and Simpson Housing during 2024. The total estimated budgets of the projects are \$107,000,000.

Limited partner capital contributions were initially determined based upon an expectation of the amount and timing of housing tax credits. The contributions are subject to adjustment depending on certain conditions being met, primarily related to the amount and timing of housing tax credits each Partnership is able to obtain. The contributions will be recorded when received.

### 20. OFFICE LEASE

PPL entered into a ten-year lease agreement for office space ending April 30, 2034, which requires monthly rent payments of \$8,185, increasing 3% each year. Rent expense this lease totaled \$100,696 in 2024.

The remaining lease term is 9.25 years at December 31, 2024, and the discount rate used in the calculation was 3.87%.

Future minimum lease payments are as follows for the years then ended:

2025	\$ 100,424
2026	103,470
2027	106,554
2028	109,750
2029	113,041
Thereafter	519,062
	<hr/>
	1,052,301
Less: present value discount	<hr/>
	(173,221)
	<hr/>
	\$ 879,080
	<hr/>

(Continued)

## PROJECT FOR PRIDE IN LIVING, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024  
(With Comparative Totals for 2023)

#### 21. IN-KIND CONTRIBUTIONS

In-kind contributions consist of the following:

	<u>2024</u>	<u>2023</u>
Inventory	\$ -	\$ 170,242
	<u>\$ -</u>	<u>\$ 170,242</u>

Donated inventories are recorded at their estimated fair value on the date of contributions. Donated inventory is used in PPL's Ready for Success program. There are no donor restrictions placed in the donated items. PPL ended their Ready for Success program in 2024.

#### 22. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2025, the date which the consolidated financial statements were available for issue.

**SUPPLEMENTARY CONSOLIDATING INFORMATION**

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2024

	PPL, Inc.	PPL Investment Corporation	PPL Properties	Partnerships	Eliminations	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 9,978,098	\$ 284,526	\$ 1,874,678	\$ 1,969,013	\$ -	\$ 14,106,315
Investments	3,708,702	-	-	-	-	3,708,702
Current portion of receivables, net	3,537,239	-	908,283	1,756,128	-	6,201,650
Property held for sale	-	-	459,055	-	-	459,055
Prepaid expenses	416,491	-	17,156	6,822	-	440,469
Total current assets	17,640,530	284,526	3,259,172	3,731,963	-	24,916,191
Cash - construction escrows	-	-	933,283	1,757,722	-	2,691,005
Cash - custodial	51,456	-	439,683	720,129	-	1,211,268
Cash - working capital fund	264,497	-	-	-	-	264,497
Property reserves	-	-	3,678,591	10,659,746	-	14,338,337
Receivables, less current portion, net	-	-	202,389	-	-	202,389
Other assets, net	333,980	-	155,920	231,278	-	721,178
Due from other funds	19,445,116	12,011	3,259,572	82,057	(22,798,756)	-
Property under development	-	-	29,311,410	-	-	29,311,410
Right of use asset, net	852,051	-	-	-	-	852,051
Property and equipment, net	1,091,379	-	83,104,050	176,952,567	-	261,147,996
Total assets	<u>\$ 39,679,009</u>	<u>\$ 296,537</u>	<u>\$ 124,344,070</u>	<u>\$ 194,135,462</u>	<u>\$ (22,798,756)</u>	<u>\$ 335,656,322</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities:						
Accounts payable	\$ 272,719	\$ -	\$ 518,191	\$ 1,574,057	\$ -	\$ 2,364,967
Accrued payroll and related	536,556	-	-	-	-	536,556
Accrued real estate taxes	-	-	82,926	850,707	-	933,633
Other accrued liabilities	378,463	-	68,728	700,412	-	1,147,603
Current portion of deferred revenues	101,574	-	11,725	42,626	-	155,925
Current portion of accrued interest	23,281	-	382,496	153,968	-	559,745
Current portion of notes payable and lines of credit	670,288	-	-	-	-	670,288
Current portion of mortgages payable	-	-	15,574,332	465,003	-	16,039,335
Current portion of lease liability	67,913	-	-	-	-	67,913
Total current liabilities	2,050,794	-	16,638,398	3,786,773	-	22,475,965
Construction payables	-	-	11,977,788	93,717	-	12,071,505
Escrows and deposits	-	-	398,088	671,978	-	1,070,066
Deferred revenues, less current portion	101,574	-	300,674	636,179	-	1,038,427
Accrued interest, less current portion	-	-	9,958,124	2,378,039	-	12,336,163
Due to other funds	2,533,304	15,548	20,954,295	16,260,007	(39,763,154)	-
Notes payable and lines of credit, less current portion, net	6,934,901	-	-	-	-	6,934,901
Mortgages payable, less current portion, net	-	-	62,192,456	110,502,437	-	172,694,893
Lease liability, less current portion	811,167	-	-	-	-	811,167
Total liabilities	<u>12,431,740</u>	<u>15,548</u>	<u>122,419,823</u>	<u>134,329,130</u>	<u>(39,763,154)</u>	<u>229,433,087</u>
Net assets without donor restrictions:						
Undesignated	20,576,510	280,989	(4,998,933)	(27,817)	16,964,398	32,795,147
Noncontrolling limited partner interests in partnerships	-	-	6,923,180	59,834,149	-	66,757,329
Net assets with donor restrictions	6,670,759	-	-	-	-	6,670,759
Total net assets	<u>27,247,269</u>	<u>280,989</u>	<u>1,924,247</u>	<u>59,806,332</u>	<u>16,964,398</u>	<u>106,223,235</u>
Total liabilities and net assets	<u>\$ 39,679,009</u>	<u>\$ 296,537</u>	<u>\$ 124,344,070</u>	<u>\$ 194,135,462</u>	<u>\$ (22,798,756)</u>	<u>\$ 335,656,322</u>

See independent auditor's report.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

	PPL, Inc.	PPL Investment Corporation	PPL Properties	Partnerships	Eliminations	Total
Revenues and support:						
Contributions	\$ 7,274,177	\$ -	\$ -	\$ -	\$ -	\$ 7,274,177
Government grants	12,750,110	-	36,754	507,790	-	13,294,654
United Way	436,450	-	-	-	-	436,450
Rental revenues	-	-	6,462,733	10,702,431	-	17,165,164
Program service fees	704,505	-	201,348	-	-	905,853
Developer fees	3,238,093	-	-	-	-	3,238,093
Other income	60,008	-	24,344	12,741	-	97,093
Interest income	450,253	71,101	136,818	201,913	(101,584)	758,501
Inter-entity revenue	11,324,183	-	3,462,130	-	(14,786,313)	-
Total revenues and support	<u>36,237,779</u>	<u>71,101</u>	<u>10,324,127</u>	<u>11,424,875</u>	<u>(14,887,897)</u>	<u>43,169,985</u>
Expenses:						
Program services	27,133,005	13,943	16,355,528	20,328,750	(16,036,766)	47,794,460
General and administrative	8,143,681	-	-	-	(2,531,680)	5,612,001
Fundraising	1,238,848	-	-	-	(115)	1,238,733
Total expenses	<u>36,515,534</u>	<u>13,943</u>	<u>16,355,528</u>	<u>20,328,750</u>	<u>(18,568,561)</u>	<u>54,645,194</u>
Change in net assets before nonoperating activity	(277,755)	57,158	(6,031,401)	(8,903,875)	3,680,664	(11,475,209)
Gain from investments, net	136,779	-	-	-	-	136,779
Gain on sales of Park Crossing and Learning Center	-	-	1,623,960	-	-	1,623,960
Net gain on New Markets financing maturity	-	(4,829,500)	6,868,051	-	-	2,038,551
Capital contributions from noncontrolling interests, net	-	-	6,039,689	3,945,815	-	9,985,504
Syndication costs	-	-	(179,938)	(121,051)	-	(300,989)
Capital contributions from PPL, Inc.	-	-	2,005,586	-	(2,005,586)	-
Transfers of entities, net	-	-	1,772,344	(1,772,344)	-	-
Start up costs	-	-	(31,321)	-	-	(31,321)
Change in net assets	(140,976)	(4,772,342)	12,066,970	(6,851,455)	1,675,078	1,977,275
Net assets, beginning of year	<u>27,388,245</u>	<u>5,053,331</u>	<u>(10,142,723)</u>	<u>66,657,787</u>	<u>15,289,320</u>	<u>104,245,960</u>
Net assets, end of year	<u>\$ 27,247,269</u>	<u>\$ 280,989</u>	<u>\$ 1,924,247</u>	<u>\$ 59,806,332</u>	<u>\$ 16,964,398</u>	<u>\$ 106,223,235</u>

See independent auditor's report.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	Project for Pride in Living, Inc.		PPL Investment Corp	PPL Properties	Partnerships	Total Programs	General and administrative	Fundraising	Eliminations	Total
	Housing stability	Career readiness								
Salaries	\$ 6,988,892	\$ 3,816,716	\$ -	\$ -	\$ -	\$ 10,805,608	\$ 2,734,023	\$ 709,231	\$ -	\$ 14,248,862
Payroll taxes	499,119	264,847	-	-	-	763,966	202,217	44,055	-	1,010,238
Employee benefits	1,201,647	648,966	-	-	-	1,850,613	659,742	111,504	-	2,621,859
<b>Total salaries and related</b>	<b>8,689,658</b>	<b>4,730,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,420,187</b>	<b>3,595,982</b>	<b>864,790</b>	<b>-</b>	<b>17,880,959</b>
Rental and other direct client assistance	2,355,192	993,539	-	31,512	-	3,380,243	31,554	-	-	3,411,797
Professional fees and contracted services	422,954	535,548	12,300	104,295	276,003	1,351,100	562,589	104,850	-	2,018,539
Office administration and support	242,657	132,692	-	340,396	1,139,145	1,854,890	455,544	109,388	-	2,419,822
Conferences and meetings	10,627	22,208	-	-	-	32,835	44,432	1,601	-	78,868
Staff development and appreciation	70,693	28,127	-	-	24,564	123,384	101,248	364	-	224,996
Marketing and promotion	5	12,431	-	-	106,882	119,318	86,168	157,006	-	362,492
Transportation	87,007	33,340	-	-	41,833	162,180	24,772	512	-	187,464
Bad debts/loss allowance	246,497	38,108	-	484,560	18,865	788,030	-	-	-	788,030
Insurance	-	579	1,624	755,374	1,207,311	1,964,888	199,893	-	-	2,164,781
Building operations expenses	454,228	24,382	-	4,538,091	7,355,007	12,371,708	222,724	-	-	12,594,432
Rent	18,897	207,632	-	12,814	-	239,343	-	-	-	239,343
Depreciation and amortization	-	50,429	-	2,805,982	6,580,901	9,437,312	240,249	-	-	9,677,561
Interest and other bank fees	103,266	912	19	1,018,818	1,426,027	2,549,042	46,846	222	-	2,596,110
Inter-entity expenses	6,177,282	1,443,586	-	6,263,686	2,152,212	16,036,766	2,531,680	115	(18,568,561)	-
	18,878,963	8,254,042	13,943	16,355,528	20,328,750	63,831,226	8,143,681	1,238,848	(18,568,561)	54,645,194
Remove inter-entity expenses	(6,177,282)	(1,443,586)	-	(6,263,686)	(2,152,212)	(16,036,766)	(2,531,680)	(115)	18,568,561	-
<b>Total expenses</b>	<b>\$ 12,701,681</b>	<b>\$ 6,810,456</b>	<b>\$ 13,943</b>	<b>\$ 10,091,842</b>	<b>\$ 18,176,538</b>	<b>\$ 47,794,460</b>	<b>\$ 5,612,001</b>	<b>\$ 1,238,733</b>	<b>\$ -</b>	<b>\$ 54,645,194</b>

See independent auditor's report.

**PROJECT FOR PRIDE IN LIVING, INC.**

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024  
Increase (Decrease) in Cash

	Project for Pride in Living, Inc.	PPL Investment Corporation	PPL Properties	Partnerships	Eliminations	Total
Cash flows from operating activities:						
Change in net assets	\$ (140,976)	\$ (4,772,342)	\$ 12,066,970	\$ (6,851,455)	\$ 1,675,078	\$ 1,977,275
Adjustments to reconcile the change in net assets to net cash from operating activities:						
Depreciation and amortization	290,678	-	2,805,982	6,580,901	-	9,677,561
Interest expense - amortization of finance fees	-	-	37,287	145,596	-	182,883
Gain from investments	(136,779)	-	-	-	-	(136,779)
Gain on sale of properties	-	-	(1,623,960)	-	-	(1,623,960)
Net gain (loss) on New Markets financing maturity	-	4,829,500	(6,868,051)	-	-	(2,038,551)
Bad debts	284,605	-	484,560	634,758	-	1,403,923
Deferred excess master lease rent	-	-	-	(9,404)	-	(9,404)
Amortization of deferred grant	-	-	(11,725)	(42,646)	-	(54,371)
Reduction of right of use asset	68,700	-	-	-	-	68,700
Cash transfer between entities	-	-	(1,772,344)	1,772,344	-	-
Payment of syndication fees	-	-	179,938	121,051	-	300,989
Capital contributions, net	-	-	(8,045,275)	(3,945,815)	2,005,586	(9,985,504)
Changes in operating assets and liabilities:						
Receivables	(605,575)	8,049	(452,676)	(407,420)	-	(1,457,622)
Inventories	38,108	-	-	-	-	38,108
Prepaid expenses and other assets	100,379	1,624	404,461	2,914	-	509,378
Property held for sale	45,108	-	(6,380)	-	-	38,728
Accounts payable	(112,979)	-	210,001	829,470	-	926,492
Due to (from) other funds	(4,267,610)	12,299	4,785,501	1,144,888	(1,675,078)	-
Accrued expenses and other liabilities	430,231	-	935,395	1,252,467	-	2,618,093
Deferred revenues	(1,014,472)	-	(4,144)	(44,094)	-	(1,062,710)
Lease liability	(41,671)	-	-	-	-	(41,671)
Net cash from operating activities	<u>(5,062,253)</u>	<u>79,130</u>	<u>3,125,540</u>	<u>1,183,555</u>	<u>2,005,586</u>	<u>1,331,558</u>
Cash flows from investing activities:						
Purchase of property and equipment	(695,716)	-	(36,886,781)	(36,448,896)	-	(74,031,393)
Proceeds from sale of properties	-	-	3,825,000	-	-	3,825,000
Purchase of investments, net	(1,550,000)	-	-	-	-	(1,550,000)
Energy rebate receivable	-	-	-	(443,974)	-	(443,974)
Sales tax refund received	-	-	(415,352)	265,104	-	(150,248)
Net cash from investing activities	<u>(2,245,716)</u>	<u>-</u>	<u>(33,477,133)</u>	<u>(36,627,766)</u>	<u>-</u>	<u>(72,350,615)</u>
Cash flows from financing activities:						
Repayment of notes payable and lines of credit	(277,129)	-	-	-	-	(277,129)
Proceeds from issuance of mortgages payable	-	-	29,489,745	43,522,411	-	73,012,156
Repayment of mortgages payable	-	-	(6,672,275)	(7,582,718)	-	(14,254,993)
Cash transfer between entities	-	-	1,772,344	(1,772,344)	-	-
Payment of finance and tax credit fees	-	-	(644,130)	(664,126)	-	(1,308,256)
Payment of syndication fees	-	-	(179,938)	(121,051)	-	(300,989)
Capital contributions and distributions, net	-	-	8,045,275	3,945,815	(2,005,586)	9,985,504
Net cash from financing activities	<u>(277,129)</u>	<u>-</u>	<u>31,811,021</u>	<u>37,327,987</u>	<u>(2,005,586)</u>	<u>66,856,293</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(7,585,098)	79,130	1,459,428	1,883,776	-	(4,162,764)
Cash, cash equivalents, and restricted cash - beginning of year	<u>17,879,149</u>	<u>205,396</u>	<u>5,466,807</u>	<u>13,222,834</u>	<u>-</u>	<u>36,774,186</u>
Cash, cash equivalents, and restricted cash - end of year	<u>\$ 10,294,051</u>	<u>\$ 284,526</u>	<u>\$ 6,926,235</u>	<u>\$ 15,106,610</u>	<u>\$ -</u>	<u>\$ 32,611,422</u>
Supplemental cash flow information:						
Cash paid for interest	\$ 143,216	\$ -	\$ 137,562	\$ 414,572	\$ -	\$ 695,350
Property and equipment in accounts payable/acrued expenses	\$ -	\$ -	\$ 11,977,788	\$ -	\$ -	\$ 11,977,788
Right of use asset obtained in exchange for lease liability	\$ 920,751	\$ -	\$ -	\$ -	\$ -	\$ 920,751
Property and equipment additions transferred between LP and PPL Properties, net	\$ -	\$ -	\$ (31,107,054)	\$ 31,107,054	\$ -	\$ -
Mortgages transferred between LP and PPL Properties, net	\$ -	\$ -	\$ (26,945,240)	\$ 26,945,240	\$ -	\$ -

See independent auditor's report.