

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

GROWING HOME, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

May 27, 2021

To the Board of Directors
Growing Home, Inc.
Chicago, Illinois

We have audited the accompanying financial statements of Growing Home, Inc. (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

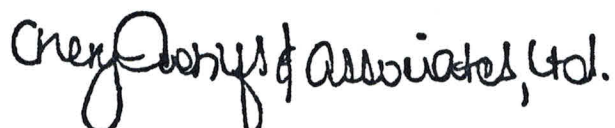
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Growing Home, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Cheryl Rohlf & Associates, Ltd." in a cursive, flowing script.

CHERYL ROHLFS & ASSOCIATES, LTD.

Northbrook, Illinois

GROWING HOME, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,290,917	\$ 365,736
Accounts Receivable	398,762	38,537
Unconditional Promises to Give	151,315	249,706
Prepaid Expenses	15,477	18,015
Security Deposits	<u>1,250</u>	<u>1,250</u>
Total Current Assets	1,857,721	673,244
Long-Term Assets:		
Property and Equipment, Net of Accumulated Depreciation	<u>1,267,946</u>	<u>1,170,809</u>
Total Assets	<u><u>\$ 3,125,667</u></u>	<u><u>\$ 1,844,053</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Paycheck Protection Program Loan	\$ 267,900	\$ -
Current Maturities of Long-Term Debt	13,181	61,354
Accounts Payable	71,035	39,996
Accrued Expenses	<u>36,867</u>	<u>46,081</u>
Total Current Liabilities	388,983	147,431
Long-Term Liabilities:		
Long-Term Debt (Note 6)	<u>453,979</u>	<u>490,821</u>
Total Liabilities	<u><u>\$ 842,962</u></u>	<u><u>\$ 638,252</u></u>
Net Assets:		
Without Donor Restrictions	2,056,336	964,850
With Donor Restrictions	<u>226,369</u>	<u>240,951</u>
Total Net Assets	<u><u>2,282,705</u></u>	<u><u>1,205,801</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,125,667</u></u>	<u><u>\$ 1,844,053</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total
REVENUE, GAINS AND OTHER SUPPORT			
Grants	\$ 684,330	\$ 634,200	\$ 1,318,530
Government Grants	640,708	-	640,708
Contributions	481,665	18,540	500,205
In-Kind Donations	31,689	-	31,689
Special Events, net of expenses of \$9,121	287,250	-	287,250
Farm Sales	19,089	-	19,089
Interest Income	873	-	873
Miscellaneous Income	11,618	-	11,618
Total Revenues and Gains	<u>2,157,222</u>	<u>652,740</u>	<u>2,809,962</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	<u>667,322</u>	<u>(667,322)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 2,824,544</u>	<u>\$ (14,582)</u>	<u>\$ 2,809,962</u>
EXPENSES			
Program Services	\$ 1,402,785	\$ -	\$ 1,402,785
Supporting Services:			
Management and General	108,163	-	108,163
Fundraising Expenses	222,110	-	222,110
Total Expenses	<u>\$ 1,733,058</u>	<u>\$ -</u>	<u>\$ 1,733,058</u>
CHANGE IN NET ASSETS	\$ 1,091,486	\$ (14,582)	\$ 1,076,904
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 964,850</u>	<u>\$ 240,951</u>	<u>\$ 1,205,801</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 2,056,336</u></u>	<u><u>\$ 226,369</u></u>	<u><u>\$ 2,282,705</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

	Without Donor Restrictions	With Donor Restrictions	2019 Total
REVENUE, GAINS AND OTHER SUPPORT			
Grants	\$ 456,000	\$ 447,100	\$ 903,100
Government Grants	338,595	-	338,595
Contributions	393,711	50,475	444,186
In-Kind Donations	108,443	-	108,443
Special Events, net of expenses of \$56,173	319,280	-	319,280
Farm Sales	69,458	-	69,458
Interest Income	471	-	471
Total Revenues and Gains	<u>1,685,958</u>	<u>497,575</u>	<u>2,183,533</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	<u>321,624</u>	<u>(321,624)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 2,007,582</u>	<u>\$ 175,951</u>	<u>\$ 2,183,533</u>
EXPENSES			
Program Services	\$ 1,473,412	\$ -	\$ 1,473,412
Supporting Services:			
Management and General	194,513	-	194,513
Fundraising Expenses	254,036	-	254,036
Total Expenses	<u>\$ 1,921,961</u>	<u>\$ -</u>	<u>\$ 1,921,961</u>
CHANGE IN NET ASSETS	\$ 85,621	\$ 175,951	\$ 261,572
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 879,229</u>	<u>\$ 65,000</u>	<u>\$ 944,229</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 964,850</u></u>	<u><u>\$ 240,951</u></u>	<u><u>\$ 1,205,801</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Program Services	Supporting Services		2020 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 685,545	\$ 29,356	\$ 131,850	\$ 846,751
Employee Benefits	94,057	8,259	18,812	121,128
Payroll Taxes	53,906	2,308	10,368	66,582
	<u>\$ 833,508</u>	<u>\$ 39,923</u>	<u>\$ 161,030</u>	<u>\$ 1,034,461</u>
Production Assistants	237,436	-	-	237,436
Contract Services and Consulting	52,590	27,566	-	80,156
Contributed Services and Expenses	22,039	3,650	6,000	31,689
Equipment	19,901	1,146	1,016	22,063
Membership Dues and Subscriptions	-	147	2,861	3,008
Information Technology	661	1,753	8,688	11,102
Insurance	4,838	1,065	1,467	7,370
Interest Expense	31,420	-	-	31,420
Professional Fees	97,383	12,997	19,478	129,858
Public Relations	1,409	3,301	1,954	6,664
Rent	-	6,875	8,125	15,000
Sales Taxes	418	-	-	418
Security	4,595	-	-	4,595
Fees and Licenses	2,228	11	-	2,239
Supplies	30,227	1,686	3,474	35,387
Travel and Meetings	4,521	756	530	5,807
Utilities	15,122	4,228	2,102	21,452
Bank and Credit Card Fees	756	654	5,082	6,492
Miscellaneous Expenses	26	-	303	329
Total Expenses Before Depreciation	<u>\$ 1,359,078</u>	<u>\$ 105,758</u>	<u>\$ 222,110</u>	<u>\$ 1,686,946</u>
Depreciation and Amortization	<u>43,707</u>	<u>2,405</u>	<u>-</u>	<u>46,112</u>
TOTAL EXPENSES	<u><u>\$ 1,402,785</u></u>	<u><u>\$ 108,163</u></u>	<u><u>\$ 222,110</u></u>	<u><u>\$ 1,733,058</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

	Program Services	Supporting Services		2019 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 748,614	\$ 43,226	\$ 139,225	\$ 931,065
Employee Benefits	127,784	14,440	20,353	162,577
Payroll Taxes	57,733	3,334	10,734	71,801
	<u>\$ 934,131</u>	<u>\$ 61,000</u>	<u>\$ 170,312</u>	<u>\$ 1,165,443</u>
Production Assistants	219,242	-	-	219,242
Contract Services and Consulting	16,353	1,691	32,297	50,341
Contributed Services and Expenses	35,997	62,078	10,368	108,443
Dues and Subscriptions	4,110	1,482	1,519	7,111
Equipment	18,527	423	160	19,110
Fees	4,576	1,693	-	6,269
Information Technology	6,642	4,118	8,706	19,466
Insurance	7,695	1,705	845	10,245
Interest Expense	15,669	10,864	-	26,533
Moving Expenses	-	5,566	-	5,566
Professional Fees	64,066	8,542	12,813	85,421
Public Relations	863	1,383	2,524	4,770
Rent	394	7,760	6,510	14,664
Repairs and Maintenance	848	-	-	848
Sales Taxes	1,419	-	-	1,419
Security	31,371	-	-	31,371
Strategic Planning Expenses	-	18,569	-	18,569
Supplies	50,012	1,980	2,507	54,499
Travel and Meetings	6,288	2,648	1,456	10,392
Utilities	15,629	1,808	1,543	18,980
Bank and Credit Card Fees	716	1,203	2,476	4,395
Total Expenses Before Depreciation	<u>\$ 1,434,548</u>	<u>\$ 194,513</u>	<u>\$ 254,036</u>	<u>\$ 1,883,097</u>
Depreciation	<u>38,864</u>	<u>-</u>	<u>-</u>	<u>38,864</u>
TOTAL EXPENSES	<u><u>\$ 1,473,412</u></u>	<u><u>\$ 194,513</u></u>	<u><u>\$ 254,036</u></u>	<u><u>\$ 1,921,961</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 1,076,904	\$ 261,572
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	46,112	38,864
Forgiveness of Notes Payable to Related Parties Recorded as Contributions	(5,000)	(25,000)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(360,225)	912
Unconditional Promises to Give	98,391	(190,934)
Prepaid Expenses	2,538	5,049
Security Deposit	-	350
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	31,039	24,604
Accrued Expenses	<u>(9,214)</u>	<u>(27,179)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 880,545</u>	<u>\$ 88,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchases) Sale of Property and Equipment	\$ (140,844)	\$ (1,255)
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (140,844)</u>	<u>\$ (1,255)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Notes Payable from Related Parties	\$ (70,000)	\$ 110,000
Proceeds from Paycheck Protection Program Loan	267,900	(200,000)
Payments on Notes Payable	(12,420)	(226,491)
Proceeds from Note Payable	-	490,000
Payments of Debt Issuance Expenses	<u>-</u>	<u>(11,826)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>\$ 185,480</u>	<u>\$ 161,683</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 925,181	\$ 248,666
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>365,736</u>	<u>117,070</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,290,917</u></u>	<u><u>\$ 365,736</u></u>
Supplementary Information:		
Cash Paid During the Year for Interest	<u>\$ 31,420</u>	<u>\$ 26,533</u>

See accompanying notes and independent auditor's report

**GROWING HOME, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

1. NATURE OF THE ORGANIZATION

Growing Home, Inc. (Organization) was incorporated as an Illinois not-for-profit corporation and is located in Chicago, Illinois. The Organization utilizes organic urban agriculture as a vehicle for workforce development and food access in their community. Growing Home believes that everyone deserves access to a good job and good food.

Since 2002, Growing Home, Inc. has operated a robust employment training program for Chicagoans who have faced barriers to employment so they may find pathways to sustainable careers. This unique training program provides participants with up to 25 hours per week of paid work experience and transferable skills on the farm, a comprehensive job readiness curriculum, and the case management support to conquer issues like criminal records, medical needs, child-care, housing and more. The farms are located in Englewood, a south side Chicago community which has experienced high rates of unemployment, poverty and lack of nutritious food choices due to on-going systemic racism and disinvestment. To date, Growing Home has empowered over 500 individuals with the tools, connections, and confidence to find and keep stable jobs, providing a path out of poverty and towards self-sufficiency.

As the first and only USDA-certified organic farms in the city, Growing Home is also helping to redefine local, sustainable food systems. By offering high-quality produce at reduced prices and double-valuing public assistance, Growing Home has become an essential access point for affordable produce on the south side of Chicago. Through their engagement programs including cooking and nutrition workshops, a Learning Garden and community events, Growing Home addresses the multiple barriers to food security and community health.

During 2020 and 2019, the Organization received funding through government contracts with City of Chicago Department of Family and Support Services, Justice Advisory Council - Cook County, IL, the Illinois Department of Corrections and Cook County in Illinois.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use of that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are 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, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

The Organization considers cash in checking, savings and money market accounts to be cash and cash equivalents.

Revenue and Revenue Recognition

The Organization recognizes revenue as it satisfies a performance obligation by transferring control over a product or a service to a customer. Revenue is measured at the transaction price, which is based on the amount of consideration that the Organization expects to receive in exchange for transferring the promised good or service to the customer. Program payments received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

A portion of the Organization's revenue is derived from contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Contributions are recognized at a point in time when cash or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are uncollateralized customer balances due under normal terms. Payments of accounts receivable are allocated to the specific invoices identified by the customer. Management reviews all accounts receivable balances and estimates the portion, if any, of the balance that will not be collected. At December 31, 2020 and 2019, there were no required balance in the allowance for doubtful accounts.

Property and Equipment

It is the Organization's policy to capitalize property and equipment more than \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations for property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Property and equipment are depreciated using the straight-line method over the useful lives of the assets as follows:

Buildings	39 years
Building Improvements	10-39 years
Land Improvements	15 years
Equipment	5-10 years
Office Equipment	3-5 years
Vehicle	5 years

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files U.S. federal and Illinois state information returns. The federal and state informational tax returns for tax years 2018, 2019, and 2020 can be subject to examinations by tax authorities, generally for three years from the date of filing.

Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, costs have been allocated between the program services and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased by the Organization. Donated services are recorded at their fair values in the year received, totaling \$28,033 and \$97,543 for the years ended December 31, 2020 and 2019, respectively.

3. CHANGES IN ACCOUNTING PRINCIPLES

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB ASC Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in ASU must be applied using one of two retrospective methods. ASU 2014-09 was effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization adopted Topic 606 on a modified retrospective basis as of January 1, 2019. There were no cumulative adjustments required at the adoption date, and no significant changes in the method of revenue recognition as a result of adoption.

In June 2018, the FASB issued ASB 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for a contribution (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update were effective for annual financial statements issued for fiscal years beginning after December 15, 2018, for transactions in which the entity serves as the resource recipient. The adoption of this standard had no significant impact on the Organization and did not require a change in accounting policies and procedures.

4. CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

Bank accounts at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2020 and 2019, the Organization's uninsured cash balances at one financial institution totaled \$980,215 and \$74,356, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 374,311	\$ 374,311
Buildings	435,359	352,764
Building Improvements	60,126	38,387
Land Improvements	693,300	691,488
Equipment	36,738	36,738
Office Equipment	2,580	4,762
Vehicles	<u>52,755</u>	<u>20,637</u>
	1,655,169	1,519,087
Less Accumulated Depreciation	<u>(387,223)</u>	<u>(348,278)</u>
Total Property and Equipment	<u><u>\$ 1,267,946</u></u>	<u><u>\$ 1,170,809</u></u>

6. LINE OF CREDIT AGREEMENT

The Organization renewed the revolving line of credit agreement on June 29, 2020 for \$200,000 with a bank. The one-year term is to June 28, 2021. Interest is a variable rate based on the bank's prime rate plus 1.5%. The line of credit was unused in 2020. The line of credit is secured by the Organization's property and assets granted as collateral security for the loan.

The Organization entered into a \$200,000 line of credit on June 30, 2019 with a bank, through June 29, 2020. The interest rate is based on the lender's index rate plus 1.5% and not less than 6.25%. The outstanding balance of the line of credit of \$200,000 was repaid in November 2019.

7. LONG-TERM DEBT

Long-Term Debt consisted of the following:

	<u>2020</u>	<u>2019</u>
Note payable dated November 21, 2019, for \$490,000 payable to Chicago Community Loan Fund, initial interest-only payment in December 2019, for five years starting in January 2020 payments of principal and interest of \$3,836 with interest at 6.5%, at the lenders discretion the initial maturity date may be extended for two sixty-month periods starting in January 2025, balloon payment of remaining principal and accrued interest balance due at final extended date, secured by defined property and improvements.	\$ 476,580	\$ 489,001
Note payable to Related Party, 0% interest, due March 31, 2021.	-	25,000
Note payable to Related Party, 0% interest, due March 31, 2020.	<u>-</u>	<u>50,000</u>
	476,580	564,001
Less: Current Maturities of Long-Term Debt	(13,181)	(61,354)
Less: Unamortized Debt Issuance Costs	<u>(9,420)</u>	<u>(11,826)</u>
Total Long-Term Debt	<u><u>\$ 453,979</u></u>	<u><u>\$ 490,821</u></u>

Future maturities of the long-term debt are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2021	\$ 13,181
2022	14,064
2023	15,005
2024	16,010
Thereafter	<u>418,320</u>
Total	<u>\$ 476,580</u>

8. PAYCHECK PROTECTION PROGRAM LOAN

The Organization accepted the Paycheck Protection Program loan in April 2020 for \$267,900. The loan is for a two-year term. The first six months has a deferral of the principal and interest payments. Interest is at 1% per year of the loan. The PPP loan has the potential to be forgiven if all criteria of expenditures of the loan proceeds are met. The PPP loan was forgiven in February 2021.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of:

	<u>2020</u>	<u>2019</u>
Time Restriction for 2021	\$ 10,000	\$ -
Time Restriction for 2020	-	35,000
Discretionary Fund	7,491	9,991
Landscaping	12,034	12,035
Strategic Planning	-	6,431
Kitchen Box Program	27,200	-
Church Building Acquisition	5,000	-
Employment Training	91,666	-
Educational Programming	8,133	-
Food Access	<u>64,845</u>	<u>177,494</u>
Total	<u>\$ 226,369</u>	<u>\$ 240,951</u>

10. LEASE COMMITMENTS

The Organization leased office space in Chicago on a month-to-month basis to May 2019. The Organization entered into an operating lease agreement in May 2019 for office space in the Englewood neighborhood of Chicago. The lease has a three-year term to May 2022, at a monthly rental of \$1,250. The lease contains an option term of two years that may be exercised by the Organization. Rent expense was \$15,000 and \$14,665 for the years ended December 31, 2020 and 2019.

Future minimum rentals under the operating lease is:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2021	\$ 15,000
December 31, 2022	<u>5,000</u>
Total	<u>\$ 20,000</u>

The Organization entered into a lease for approximately 37,000 square feet of land from another Illinois not-for-profit organization, NeighborSpace, in June 2012 in Chicago, Illinois. The lease has a ten year term and has a \$1 per year minimum rental, due in total at the commencement date of the lease. The land was leased to expand the urban agricultural operations. The Organization must maintain the premises in good condition, pay all utilities and carry property insurance and workers' compensation coverage.

11. CONVEYANCE OF LAND FROM THE CITY OF CHICAGO

In September 2017, the City of Chicago's Community Development Commission recommended the conveyance of a parcel of land for an amount of \$1 to Growing Home, Inc. to expand its urban farm operations, documented in a resolution by the Community Development Commission to the City's Department of Planning and Development. The City Council of Chicago approved this conveyance of the interest in the real property on December 13, 2017. Growing Home, Inc. can solely use the property as an urban agricultural and job transition center and for not-for-profit ancillary and accessory uses, unless an alternative use is approved in writing at the sole discretion of the City's Department of Planning and Development.

The property is located in the 63rd Street/Ashland Redevelopment Project Area in the City of Chicago. The covenant shall terminate 10 years from the conveyance of the property, unless the Commissioner of the Department of Planning and Development releases the covenant upon the request of Growing Home, Inc. before that date.

The conveyance of the property was finalized on June 11, 2018, when the City of Chicago sold the parcel for \$1. Prior to the conveyance of the property, the City of Chicago incurred and donated \$367,155 of land improvements to clear and prepare the property for the Organization. The fair value of the land and related costs were recorded at \$41,432.

12. RELATED PARTIES

The Organizations received working capital loans from several board members in 2019 of \$100,000. One of the board members donated \$5,000 of the outstanding note payable to the Organization in 2020 and another member donated \$25,000 of the loan in 2019. At December 31, 2020, both loans have been paid in full.

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following are Growing Home, Inc.'s financial assets as of the balance sheet date, reduced by amounts not available for general use within one year:

Financial Assets at year-end:	2020	2019
Cash and Cash Equivalents	\$ 1,290,917	\$ 365,736
Accounts Receivable	398,762	38,537
Unconditional Promise to Give	151,315	249,706
Total Financial Assets	<u>\$ 1,840,994</u>	<u>\$ 653,979</u>
Less: amount not available to be used within one year		
Net Assets with donor restrictions	<u>(226,369)</u>	<u>(240,951)</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 1,614,625</u>	<u>\$ 413,028</u>

Growing Home, Inc. regularly monitors the availability of resources required to meet its operating needs and commitments. In addition to the financial assets available to meet general expenditures and other obligations over the next twelve months, the Organization has a strong contributor base composed of various foundations, corporations, government contracts and individuals that contribute annually, including over forty grant-makers and nearly six hundred individuals. These annual commitments are created with relationship building and shown commitment to our programs by the staff, management, board, participants and donors. Growing Home, Inc. operates with a balanced budget each year.

Because some of these expenses for the growing seasons and the Employment Training program are heaviest in the late spring, summer and early fall. Growing Home, Inc. maintains a line of credit to help mitigate cash fluctuations. The Organization maintains sufficient financial assets to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

14. BUSINESS DISRUPTION

The COVID-19 pandemic in the United States has caused economic disruption through mandated and voluntary closings of businesses, schools, and organizations. The Board of Directors and management have actively monitored the events and circumstances surrounding the COVID-19 pandemic with their primary concern being the health and wellness of the production assistants, staff and volunteers. The pandemic caused the operations to move to remote locations, as staff and production assistants transitioned to hybrid-virtual formats. There was no disruption or reduction in service provided for the production assistants as they continued the Employment Training program which has been moved to a virtual meeting format for the classroom curriculum. Production assistants and staff have been working on-site since April 2020, practicing social distancing.

As a response to the lack of available fresh food and produce exacerbated by the pandemic, Growing Home donated over 90% of the produce grown in 2020 to current Production Assistants, alumni and community residents in and around Englewood. Growing Home also transitioned to a CSA delivery-model in 2020 in response to the stay at home order, providing over 2,000 door to door deliveries to help mitigate the lack of fresh food access. A new partnership with a restaurant relief program, new online cooking classes and other community events and food drives provided Growing Home many opportunities to serve its community.

Growing Home's largest fundraiser, the Annual Benefit in May, was held remotely, and the financial results proved to be rewarding in spite of the circumstances. And in lieu of additional in-person fundraising events, virtual fundraisers were held. The Organization received funding from the Small Business Administration's Payroll Protection Program of \$267,900 which was forgiven in 2021.

Throughout the pandemic, Growing Home complied with the Governor of Illinois' Stay-at-Home order and the restrictions on physical gatherings in accordance with each phase of Restore Illinois. Despite the challenges and uncertainty of these times, Growing Home continued to grow its impact. The Organization expanded their paid job training program to be able to serve 25% more participants. The Organization continued to grow their Food Access and community program with new partnerships like the Chicago Food Depository and collaborations with other community organizations on funding and program development aimed at rebuilding the food system in Englewood.

15. EVALUATION OF SUBSEQUENT EVENTS

Management has reviewed and evaluated subsequent events through May 27, 2021, the date which the financial statements were available to be issued.