

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

GROWING HOME, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

June 6, 2022

To the Board of Directors of
Growing Home, Inc.

Opinion

We have audited the accompanying financial statements of Growing Home, Inc.'s (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows of Growing Home, Inc. for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Growing Home, Inc.'s ability to continue as a going concern within one year after the date that financial statements are available to be issued

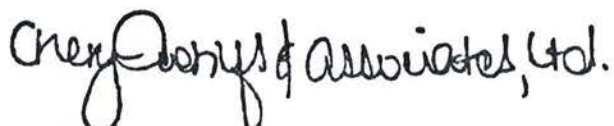
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 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 and opinion on the effectiveness of Growing Home, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Growing Home, 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 of timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CHERYL ROHLFS & ASSOCIATES, LTD.

Northbrook, Illinois

GROWING HOME, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,257,471	\$ 1,290,917
Accounts Receivable	164,549	398,762
Unconditional Promises to Give	149,221	151,315
Prepaid Expenses	60,299	15,477
Security Deposits	<u>1,250</u>	<u>1,250</u>
Total Current Assets	2,632,790	1,857,721
Long-Term Assets:		
Property and Equipment, Net of Accumulated Depreciation	<u>1,257,005</u>	<u>1,267,946</u>
Total Assets	<u><u>\$ 3,889,795</u></u>	<u><u>\$ 3,125,667</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Paycheck Protection Program Loan	\$ -	\$ 267,900
Current Maturities of Long-Term Debt	14,063	13,181
Accounts Payable	26,247	71,035
Accrued Expenses	<u>45,312</u>	<u>36,867</u>
Total Current Liabilities	85,622	388,983
Long-Term Liabilities:		
Long-Term Debt	<u>442,250</u>	<u>453,979</u>
Total Liabilities	<u><u>\$ 527,872</u></u>	<u><u>\$ 842,962</u></u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	2,354,594	2,056,336
Board Designated	<u>540,398</u>	<u>-</u>
	2,894,992	2,056,336
With Donor Restrictions	<u>466,931</u>	<u>226,369</u>
Total Net Assets	<u><u>3,361,923</u></u>	<u><u>2,282,705</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,889,795</u></u>	<u><u>\$ 3,125,667</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total
REVENUE, GAINS AND OTHER SUPPORT			
Grants	\$ 484,032	\$ 943,875	\$ 1,427,907
Government Grants	758,216	-	758,216
Contributions	475,680	25,125	500,805
In-Kind Donations	84,783	-	84,783
Special Events, net of expenses of \$14,373	243,971	-	243,971
Farm Sales	40,918	-	40,918
Miscellaneous Income	766	-	766
Interest Income	1,011	-	1,011
Total Revenues and Gains	<u>2,089,377</u>	<u>969,000</u>	<u>3,058,377</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	<u>728,438</u>	<u>(728,438)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 2,817,815</u>	<u>\$ 240,562</u>	<u>\$ 3,058,377</u>
EXPENSES			
Program Services	\$ 1,571,090	\$ -	\$ 1,571,090
Supporting Services:			
Management and General	158,163	-	158,163
Fundraising Expenses	249,906	-	249,906
Total Expenses	<u>\$ 1,979,159</u>	<u>\$ -</u>	<u>\$ 1,979,159</u>
CHANGE IN NET ASSETS	\$ 838,656	\$ 240,562	\$ 1,079,218
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 2,056,336</u>	<u>\$ 226,369</u>	<u>\$ 2,282,705</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 2,894,992</u></u>	<u><u>\$ 466,931</u></u>	<u><u>\$ 3,361,923</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

	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 FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Program Services	Supporting Services		2021 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 623,638	\$ 73,818	\$ 151,031	\$ 848,487
Employee Benefits	65,235	808	23,285	89,328
Payroll Taxes	55,642	6,587	13,475	75,704
	<u>\$ 744,515</u>	<u>\$ 81,213</u>	<u>\$ 187,791</u>	<u>\$ 1,013,519</u>
Production Assistants	262,685	-	-	262,685
Alumni Engagement	6,346	-	-	6,346
Apprenticeship Program	2,430	-	-	2,430
Contract Services and Consulting	10,225	21,207	235	31,667
Contributed Services and Expenses	45,000	750	-	45,750
Community Events	7,593	-	-	7,593
Equipment	69,831	1,215	1,060	72,106
Fees and Licenses	2,146	20	175	2,341
Membership Dues and Subscriptions	1,678	899	2,172	4,749
Information Technology	6,699	4,602	5,530	16,831
Insurance	15,255	2,651	2,953	20,859
Interest Expense	30,588	-	-	30,588
Professional Fees	131,783	23,392	26,356	181,531
Public Relations	9,334	4,425	8,505	22,264
Rent	-	6,875	6,875	13,750
Repairs and Maintenance	31,199	-	-	31,199
Security	22,718	-	-	22,718
Supplies	86,393	4,792	2,582	93,767
Travel and Meetings	8,070	2,208	197	10,475
Utilities	18,271	3,025	1,965	23,261
Bank and Credit Card Fees	1,017	428	3,510	4,955
Miscellaneous Expenses	836	461	-	1,297
Total Expenses Before Depreciation	<u>\$ 1,514,612</u>	<u>\$ 158,163</u>	<u>\$ 249,906</u>	<u>\$ 1,922,681</u>
Depreciation and Amortization	<u>56,478</u>	<u>-</u>	<u>-</u>	<u>56,478</u>
TOTAL EXPENSES	<u><u>\$ 1,571,090</u></u>	<u><u>\$ 158,163</u></u>	<u><u>\$ 249,906</u></u>	<u><u>\$ 1,979,159</u></u>

See accompanying notes and independent auditor's report.

GROWING HOME, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

	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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 1,079,219	\$ 1,076,904
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	56,477	46,112
Contribution of Vehicle	(39,033)	-
Forgiveness of Paycheck Protection Plan Loan	(267,900)	-
Forgiveness of Notes Payable to Related Parties Recorded as Contributions	-	(5,000)
 (Increase) Decrease in Operating Assets:		
Accounts Receivable	234,213	(360,225)
Unconditional Promises to Give	2,094	98,391
Prepaid Expenses	(44,822)	2,538
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(44,788)	31,039
Accrued Expenses	<u>8,445</u>	<u>(9,214)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 983,905</u>	<u>\$ 880,545</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	<u>\$ (4,099)</u>	<u>\$ (140,844)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (4,099)</u>	<u>\$ (140,844)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Notes Payable from Related Parties	\$ -	\$ (70,000)
Proceeds from Paycheck Protection Program Loan	-	267,900
Payments on Notes Payable	<u>(13,252)</u>	<u>(12,420)</u>
 NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>\$ (13,252)</u>	<u>\$ 185,480</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 966,554	\$ 925,181
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,290,917</u>	<u>365,736</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,257,471</u></u>	<u><u>\$ 1,290,917</u></u>
 Supplementary Information:		
Cash Paid During the Year for Interest	<u><u>\$ 30,588</u></u>	<u><u>\$ 31,420</u></u>

See accompanying notes and independent auditor's report

**GROWING HOME, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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 600 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 2021, Growing Home food programs distributed 61% of their produce in Greater Englewood and surrounding communities and served over 6,400 people, delivering over 48,600 servings of fresh healthy produce. The remaining crop yield represents community-based social enterprise initiatives across the city.

During 2021 and 2020, 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, 2021 and 2020, 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 2019, 2020, and 2021 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 \$45,750 and \$28,033 for the years ended December 31, 2021 and 2020, 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 February 2016, the Financial Accounting Standards Board (FASB) issued its much anticipated lease accounting standard in ASU 2016-02, *Leases*, (ASC Topic 842) for both lessees and lessors. Under this standard, a lessee will recognize right-of-use asset and related lease liabilities on the statement of financial position for all arrangements with terms longer than 12 months. The goal of the new standard is to streamline the accounting for leases under U.S. generally accepted accounting principles, reduce off-balance-sheet activities, and enhance transparency into liabilities resulting from leasing arrangements. This standard is effective for nonprofit organizations with annual reporting periods beginning after December 15, 2021.

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 December 31, 2021 and 2020, the Organization's uninsured cash balances at one financial institution totaled \$1,946,035 and \$980,215, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 374,311	\$ 374,311
Buildings	433,708	435,359
Building Improvements	60,126	60,126
Land Improvements	696,566	693,300
Equipment	39,068	36,738
Office Equipment	2,580	2,580
Vehicles	<u>91,788</u>	<u>52,755</u>
	1,698,147	1,655,169
Less Accumulated Depreciation	<u>(441,142)</u>	<u>(387,223)</u>
Total Property and Equipment	<u>\$ 1,257,005</u>	<u>\$ 1,267,946</u>

6. LINE OF CREDIT AGREEMENT

The Organization entered into a \$200,000 line of credit in 2019 with a bank through June 29, 2020. The interest rate was based on the lender's index rate plus 1.5% and not less than 6.25%. The Organization renewed the revolving line of credit agreement on June 29, 2020 for \$200,000 with a bank. The one-year term was to June 28, 2021. Interest rate was at a variable rate based on the bank's prime rate plus 1.5%.

The line of credit was renewed on June 28, 2021 for \$200,000 and shall continue in effect until all outstanding loans have been paid in full or until the parties agree in writing to terminate the agreement. Interest rate is a variable rate based on the bank's prime rate plus 1.5%. The line of credit was unused in 2021 and 2020. The line of credit was secured by the Organization's property and assets granted as collateral security for the loan.

7. LONG-TERM DEBT

Long-Term Debt consisted of the following:

	<u>2021</u>	<u>2020</u>
Note payable dated November 21, 2019, for \$490,000 payable to Chicago Community Loan Fund, 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.	\$ 463,328	\$ 476,580
Less: Current Maturities of Long-Term Debt	(14,063)	(13,181)
Less: Unamortized Debt Issuance Costs	<u>(7,015)</u>	<u>(9,420)</u>
Total Long-Term Debt	<u>\$ 442,250</u>	<u>\$ 453,979</u>

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

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 14,063
2023	15,005
2024	16,010
2025	10,854
2026	11,592
Thereafter	<u>395,804</u>
Total	<u>\$ 463,328</u>

8. PAYCHECK PROTECTION PROGRAM LOAN

The Organization accepted the Paycheck Protection Program loan in April 2020 for \$267,900. The loan was for a two-year term. The first six months had a deferral of the principal and interest payments. Interest was at 1% per year of the loan. The PPP loan was forgiven in February 2021.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of:

	<u>2021</u>	<u>2020</u>
Time Restriction for 2021	\$ -	\$ 10,000
Time Restriction for 2022	102,000	-
Discretionary Fund	7,491	7,491
Landscaping	12,031	12,031
Kitchen Box Program	-	27,200
Church Building Acquisition	5,000	5,000
Employment Training	-	91,666
Educational Programming	228,409	8,133
Food Access	<u>112,000</u>	<u>64,845</u>
Total	<u>\$ 466,931</u>	<u>\$ 226,369</u>

10. LEASE COMMITMENTS

The Organization entered into an operating lease agreement in May 2019 for office space in the Englewood neighborhood of Chicago. The lease had a three-year term to May 2022, at a monthly rental of \$1,250. The lease contained an option term of two years that was not exercised by the Organization. Rent expense was \$13,750 and \$15,000 for the years ended December 31, 2021 and 2020.

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 date of the statement of financial position, reduced by amounts not available for general use within one year:

Financial Assets at year-end:	2021	2020
Cash and Cash Equivalents	\$ 2,257,471	\$ 1,290,917
Accounts Receivable	164,549	398,762
Unconditional Promise to Give	149,221	151,315
Total Financial Assets	<u>\$ 2,571,241</u>	<u>\$ 1,840,994</u>
Less: amount not available to be used within one year		
Net Assets with donor restrictions	(466,931)	(226,369)
Board Designated Net Assets	<u>(540,398)</u>	<u>-</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 1,563,912</u>	<u>\$ 1,614,625</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 the Organization's 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 global pandemic in the United States has caused economic disruption through mandated and voluntary closings of businesses, schools, and organizations. Since March 2020, 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.

15. EVALUATION OF SUBSEQUENT EVENTS

Management has reviewed and evaluated subsequent events through June 6, 2022, the date which the financial statements were available to be issued.