

**Cheryl Rohlf & Associates, Ltd.**

*Certified Public Accountants*

**GROWING HOME, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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Cheryl Rohlf & Associates, Ltd.

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## **INDEPENDENT AUDITOR'S REPORT**

June 14, 2023

To the Board of Directors of  
Growing Home, Inc.

### **Opinion**

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, 2022 and 2021, 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, 2022 and 2021 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

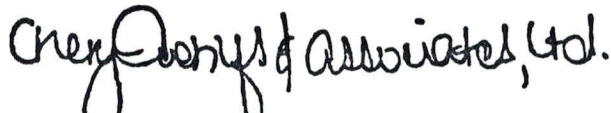
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 an 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 ROHLF & ASSOCIATES, LTD.**

Northbrook, Illinois

**GROWING HOME, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,870,283	\$ 2,257,471
Accounts Receivable	25,732	164,549
Unconditional Promises to Give	20,000	149,221
Prepaid Expenses	87,765	60,299
Security Deposits	<u>-</u>	<u>1,250</u>
Total Current Assets	3,003,780	2,632,790
Long-Term Assets:		
Property and Equipment, Net of Accumulated Depreciation	<u>1,414,848</u>	<u>1,257,005</u>
<b>Total Assets</b>	<u><u>\$ 4,418,628</u></u>	<u><u>\$ 3,889,795</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Current Maturities of Long-Term Debt	\$ 15,005	\$ 14,063
Accounts Payable	36,000	26,247
Accrued Expenses	<u>57,048</u>	<u>45,312</u>
Total Current Liabilities	108,053	85,622
Long-Term Liabilities:		
Long-Term Debt	<u>429,574</u>	<u>442,250</u>
<b>Total Liabilities</b>	<u><u>\$ 537,627</u></u>	<u><u>\$ 527,872</u></u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	2,381,081	2,354,594
Board Designated	<u>790,398</u>	<u>540,398</u>
	3,171,479	2,894,992
With Donor Restrictions	<u>709,522</u>	<u>466,931</u>
<b>Total Net Assets</b>	<u><u>3,881,001</u></u>	<u><u>3,361,923</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 4,418,628</u></u>	<u><u>\$ 3,889,795</u></u>

See accompanying notes and independent auditor's report.



**GROWING HOME, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Without Donor Restrictions	With Donor Restrictions	<b>2022 Total</b>
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Grants	\$ 295,500	\$ 996,200	\$ 1,291,700
Government Grants	627,316	-	627,316
Contributions	462,577	-	462,577
Gifts In-Kind	36,993	-	36,993
Special Events, net of expenses of \$14,112	132,617	-	132,617
Farm Sales	47,258	-	47,258
Miscellaneous Income	2,834	-	2,834
Interest Income	13,135	-	13,135
<b>Total Revenues and Gains</b>	<u>1,618,230</u>	<u>996,200</u>	<u>2,614,430</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	<u>753,609</u>	<u>(753,609)</u>	<u>-</u>
<b>Total Revenues, Gains and Other Support</b>	<u>\$ 2,371,839</u>	<u>\$ 242,591</u>	<u>\$ 2,614,430</u>
<b>EXPENSES</b>			
Program Services	\$ 1,703,150	\$ -	\$ 1,703,150
Supporting Services:			
Management and General	152,131	-	152,131
Fundraising Expenses	240,071	-	240,071
<b>Total Expenses</b>	<u>\$ 2,095,352</u>	<u>\$ -</u>	<u>\$ 2,095,352</u>
<b>CHANGE IN NET ASSETS</b>	\$ 276,487	\$ 242,591	\$ 519,078
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 2,894,992</u>	<u>\$ 466,931</u>	<u>\$ 3,361,923</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 3,171,479</u></u>	<u><u>\$ 709,522</u></u>	<u><u>\$ 3,881,001</u></u>

See accompanying notes and independent auditor's report.

**GROWING HOME, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (CONTINUED)**

	Without Donor Restrictions	With Donor Restrictions	<b>2021 Total</b>
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
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
<b>Total Revenues and Gains</b>	<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>
<b>Total Revenues, Gains and Other Support</b>	<u>\$ 2,817,815</u>	<u>\$ 240,562</u>	<u>\$ 3,058,377</u>
<b>EXPENSES</b>			
Program Services	\$ 1,571,090	\$ -	\$ 1,571,090
Supporting Services:			
Management and General	158,163	-	158,163
Fundraising Expenses	249,906	-	249,906
<b>Total Expenses</b>	<u>\$ 1,979,159</u>	<u>\$ -</u>	<u>\$ 1,979,159</u>
<b>CHANGE IN NET ASSETS</b>	\$ 838,656	\$ 240,562	\$ 1,079,218
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 2,056,336</u>	<u>\$ 226,369</u>	<u>\$ 2,282,705</u>
<b>NET ASSETS AT END OF YEAR</b>	<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 FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Program Services	Supporting Services		2022 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 764,968	\$ 45,194	\$ 133,643	\$ 943,805
Employee Benefits	73,151	10,707	12,133	95,991
Payroll Taxes	67,424	3,983	11,779	83,186
	<u>\$ 905,543</u>	<u>\$ 59,884</u>	<u>\$ 157,555</u>	<u>\$ 1,122,982</u>
Production Assistants	332,972	100	-	333,072
Alumni Engagement	8,110	-	-	8,110
Apprenticeship Program	14,750	-	-	14,750
Contract Services and Consulting	48,759	18,129	22,765	89,653
Community Events	2,916	-	-	2,916
Equipment	35,974	12,100	3,598	51,672
Fees and Licenses	5,011	1,358	100	6,469
Membership Dues and Subscriptions	4,446	551	1,017	6,014
Information Technology	3,350	5,535	10,384	19,269
Insurance	13,286	2,689	1,501	17,476
Interest Expense	29,700	76	-	29,776
Professional Fees	75,796	15,623	15,159	106,578
Public Relations	7,783	2,260	12,593	22,636
Rent	-	12,208	3,758	15,966
Repairs and Maintenance	42,762	-	-	42,762
Security	22,484	-	-	22,484
Supplies	42,243	8,744	4,146	55,133
Travel and Meetings	13,557	3,120	1,600	18,277
Utilities	20,023	2,558	1,785	24,366
Bank and Credit Card Fees	1,244	3,007	4,100	8,351
Miscellaneous Expenses	2,320	1,783	10	4,113
Total Expenses Before Depreciation	<u>\$ 1,633,029</u>	<u>\$ 149,725</u>	<u>\$ 240,071</u>	<u>\$ 2,022,825</u>
Depreciation and Amortization	<u>70,121</u>	<u>2,406</u>	<u>-</u>	<u>72,527</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 1,703,150</u></u>	<u><u>\$ 152,131</u></u>	<u><u>\$ 240,071</u></u>	<u><u>\$ 2,095,352</u></u>

See accompanying notes and independent auditor's report.



**GROWING HOME, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (CONTINUED)**

	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>
<b>TOTAL EXPENSES</b>	<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 CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 519,078	\$ 1,079,219
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	72,527	56,477
Contribution of Vehicle	(36,993)	(39,033)
Forgiveness of Paycheck Protection Plan Loan	-	(267,900)
 (Increase) Decrease in Operating Assets:		
Accounts Receivable	138,817	234,213
Unconditional Promises to Give	129,221	2,094
Prepaid Expenses	(27,466)	(44,822)
Security Deposit	1,250	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	9,753	(44,788)
Accrued Expenses	<u>11,736</u>	<u>8,445</u>
<b>NET CASH PROVIDED BY OPERATING     ACTIVITIES</b>	<u>\$ 817,923</u>	<u>\$ 983,905</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Property and Equipment	\$ (190,970)	\$ (4,099)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>\$ (190,970)</u>	<u>\$ (4,099)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on Notes Payable	<u>(14,141)</u>	<u>(13,252)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>\$ (14,141)</u>	<u>\$ (13,252)</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 \$ 612,812	 \$ 966,554
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 <u>2,257,471</u>	 <u>1,290,917</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 <u><u>\$ 2,870,283</u></u>	 <u><u>\$ 2,257,471</u></u>
 Supplementary Information:		
Cash Paid During the Year for Interest	<u><u>\$ 29,776</u></u>	<u><u>\$ 30,588</u></u>

See accompanying notes and independent auditor's report

**GROWING HOME, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**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 2022, Growing Home food programs distributed 68% of their produce in Greater Englewood and surrounding communities and served over 12,500 people, delivering over 23,248 servings of fresh healthy produce. The remaining crop yield represents community-based social enterprise initiatives across the city.

During 2022 and 2021, 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, 2022 and 2021, 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 2020, 2021, and 2022 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.

## **3. CHANGES IN ACCOUNTING PRINCIPLES**

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.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update is effective for nonprofit organizations for annual reporting periods beginning after June 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, 2022 and 2021, the Organization’s uninsured cash balances at one financial institution totaled \$2,431,676 and \$1,946,035, respectively.



**5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 374,311	\$ 374,311
Buildings	530,468	433,708
Building Improvements	153,308	60,126
Land Improvements	696,566	696,566
Equipment	39,068	39,068
Office Equipment	2,580	2,580
Vehicles	128,781	91,788
Construction in Progress	<u>1,028</u>	<u>-</u>
	1,926,110	1,698,147
Less Accumulated Depreciation	<u>(511,262)</u>	<u>(441,142)</u>
Total Property and Equipment	<u><u>\$ 1,414,848</u></u>	<u><u>\$ 1,257,005</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 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 2022 and 2021. 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>2022</u>	<u>2021</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.	\$ 449,189	\$ 463,328
Less: Current Maturities of Long-Term Debt	(15,005)	(14,063)
Less: Unamortized Debt Issuance Costs	<u>(4,610)</u>	<u>(7,015)</u>
Total Long-Term Debt	<u><u>\$ 429,574</u></u>	<u><u>\$ 442,250</u></u>

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

<u>Year Ended December 31</u>	<u>Amount</u>
2023	\$ 15,005
2024	16,010
2025	10,854
2026	11,592
2027	12,379
Thereafter	<u>383,349</u>
Total	<u>\$ 449,189</u>

## 8. GIFTS IN KIND

The Organization received a vehicle as a Gift In-Kind contribution in 2022, valued at \$36,883. This vehicle has been recorded in assets on the Statement of Financial Position and as a Gift In-Kind Contribution of the Statement of Activities. In 2021, the Organization received donated services of \$45,750, recorded at their fair values. The donated services were recorded as a Gift In-Kind Contributions and as an expense on the Statement of Activities.

## 9. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of:

	<u>2022</u>	<u>2021</u>
Time Restriction for 2023	\$ 20,000	\$ -
Time Restriction for 2022	-	102,000
Discretionary Fund	7,491	7,491
Landscaping for Wood Street Farm	12,031	12,031
Wood Street Capital Project	200,000	-
Church Building Acquisition	5,000	5,000
Employment Training	410,000	-
Educational Programming	-	228,409
Food Access	-	112,000
Pick up Truck and Food Buggy	<u>55,000</u>	<u>-</u>
Total	<u>\$ 709,522</u>	<u>\$ 466,931</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 \$15,966 and \$13,750 for the years ended December 31, 2022 and 2021.



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.

The Organization entered into a shared space agreement with Imagine Englewood for office space and other facilities for the term August 1, 2022 to July 31, 2023. The monthly usage fee is \$800. Growing Home, Inc. shall manage the community garden under the terms of the agreement. This agreement may be terminated at any time upon the mutual, written consent of both parties.

## **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 63<sup>rd</sup> 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. 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:	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,870,283	\$ 2,257,471
Accounts Receivable	25,732	164,549
Unconditional Promise to Give	<u>20,000</u>	<u>149,221</u>
Total Financial Assets	<u>\$ 2,916,015</u>	<u>\$ 2,571,241</u>
Less: amount not available to be used within one year		
Net Assets with donor restrictions	(709,522)	(466,931)
Board Designated Net Assets	<u>(790,398)</u>	<u>(540,398)</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 1,416,095</u>	<u>\$ 1,563,912</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.

Growing Home, Inc. maintains a line of credit to help mitigate cash fluctuations associated with the seasonal nature of the Urban Farm and Employment Training programs. The Organization maintains sufficient financial assets to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

### **13. EVALUATION OF SUBSEQUENT EVENTS**

Management has reviewed and evaluated subsequent events through June 14, 2023, the date which the financial statements were available to be issued.