

**HARVEST HOME FARMER'S MARKET, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**  
**DECEMBER 31, 2021 AND 2020**

**ANGELITO A. BALLO, CPA**

HARVEST HOME FARMER'S MARKET, INC.  
DECEMBER 31, 2021 AND 2020

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### **Independent Accountant's Review Report**

To the Board of Directors  
Harvest Home Farmer's Market, Inc.

I have reviewed the accompanying financial statements of Harvest Home Farmer's Market, Inc. ("HHFM") 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

#### **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 the financial statements that are free from material misstatements whether due to fraud or error.

#### **Accountant's Responsibility**

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of HHFM and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*A. Ballo, CPA*  
Angelito A. Ballo, CPA

New York, NY  
September 27, 2022

HARVEST HOME FARMER'S MARKET, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 49,150	\$ 74,273
Receivables (Note 4)	199,217	146,503
Prepayments	2,063	-
Total current assets	250,430	220,776
Non-current assets		
Equipment (net of accumulated dep.) (Note 5)	111	663
Total non-current assets	111	663
Other assets		
Security deposit	6,690	6,690
Total other assets	6,690	6,690
<b>Total Assets</b>	<b>\$ 257,231</b>	<b>\$ 228,129</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 47,189	\$ 7,788
Line of credit (Note 6)	50,000	50,000
Accrued farmer's token redemption (Note 7)	57,865	89,326
Advance payable (Note 8)	52,084	14,584
Other liabilities (Note 9)	53,931	72,494
Total current liabilities	261,069	234,192
<b>Net Assets</b>		
Without donor restrictions	(3,838)	(6,063)
With donor restrictions	-	-
<b>Total net assets</b>	<b>(3,838)</b>	<b>(6,063)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 257,231</b>	<b>\$ 228,129</b>

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	For 2021			For 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
Revenues and other support:						
Government grants & contracts	\$ 607,717	\$	\$ 607,717	\$ 541,982	\$	\$ 541,982
PPP forgiven liability (Note 10)	56,335		56,335	52,385		52,385
Non-government grants and contract			-	8,500		8,500
General Contributions	66,871		66,871	530		530
Market rents	71,330		71,330	60,435		60,435
In-kind (Note 12)			-	112,663		112,663
Pre-packaged meals			-	41,250		41,250
Miscellaneous			-	3,458		3,458
Total revenues and other support	<u>802,253</u>	<u>-</u>	<u>802,253</u>	<u>821,203</u>	<u>-</u>	<u>821,203</u>
Net assets released from restrictions:						
Program restrictions satisfied	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and support	802,253	-	802,253	821,203	-	821,203
Expenses:						
Program services:						
Farmer's market	183,592		183,592	150,307		150,307
Healthy living/eating	<u>459,056</u>		<u>459,056</u>	<u>443,303</u>		<u>443,303</u>
Total program expenses	<u>642,648</u>	<u>-</u>	<u>642,648</u>	<u>593,610</u>	<u>-</u>	<u>593,610</u>
Supporting activities						
Management and general	157,380		157,380	233,499		233,499
Fund raising	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>
Total expenses	800,028	-	800,028	827,109	-	827,109
Increase (decrease) in net assets	2,225	-	2,225	(5,906)	-	(5,906)
Net assets, beginning	<u>(6,063)</u>	<u>-</u>	<u>(6,063)</u>	<u>(157)</u>	<u>-</u>	<u>(157)</u>
Net assets, ending	<u>\$ (3,838)</u>	<u>\$ -</u>	<u>\$ (3,838)</u>	<u>\$ (6,063)</u>	<u>\$ -</u>	<u>\$ (6,063)</u>

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services	
	Farmer's Market	Healthy Living/ Eating	Total	Management and General	Total
Expenses:					
Salaries	\$ 126,245	\$ 134,650	\$ 260,895	\$ 35,268	\$ 296,163
Fringe benefits	13,241	11,148	24,389	13,076	37,465
Contracted services	16,525	16,420	32,945	36,026	68,971
Dues and permits	1,340		1,340	1,935	3,275
HPNAP farmer vendor reimbursement		255,072	255,072	8,748	263,820
Health bucks reimbursement		2,391	2,391	-	2,391
Advertising & marketing	468	2,641	3,109	749	3,858
Insurance	534		534	1,926	2,460
Occupancy	9,689	14,235	23,924	30,172	54,096
Supplies	1,798	12,284	14,082	4,954	19,036
Postage			-	178	178
Printing	64		64	-	64
Telephone	2,454		2,454	1,928	4,382
Conference & meetings			-	2,500	2,500
Market Transport	4,000	7,135	11,135	9,580	20,715
Travel expenses	3,159	3,080	6,239	496	6,735
Website and internet	659		659	1,767	2,426
Finance charge			-	3,430	3,430
Storage	3,361		3,361	3,689	7,050
Bank and merchant fees	55		55	140	195
Miscellaneous				266	266
Depreciation			-	552	552
	\$ 183,592	\$ 459,056	\$ 642,648	\$ 157,380	\$ 800,028
Total					

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services		Total
	Farmer's Market	Healthy Living/ Eating	Total	Management and General	Fund Raising	
Expenses:						
Salaries	\$ 106,196	\$ 124,445	\$ 230,641	\$ 44,918	\$ -	\$ 275,559
Fringe benefits	11,203	13,954	25,157	5,796	-	30,953
Contracted services	7,690	24,739	32,429	22,634	-	55,063
Dues and permits	2,659	-	2,659	1,827	-	4,486
HPNAP farmer vendor reimbursement	-	183,711	183,711	3,112	-	186,823
Health bucks reimbursement	-	2,505	2,505	-	-	2,505
Food distribution	-	18,500	18,500	-	-	18,500
Equipment rental	-	-	-	300	-	300
Insurance	-	-	-	2,044	-	2,044
Occupancy	9,959	16,369	26,328	26,048	-	52,376
Office expense and supplies	2,717	36,843	39,560	5,102	-	44,662
Postage	-	-	-	96	-	96
Printing	543	-	543	-	-	543
Repairs & maintenance	-	-	-	20	-	20
Telephone	430	728	1,158	3,829	-	4,987
Conference & meetings	-	-	-	60	-	60
Travel expenses	7,045	18,308	25,353	437	-	25,790
Website and internet	-	-	-	1,895	-	1,895
Finance charge	-	-	-	3,756	-	3,756
Bank and merchant service charges	1,865	-	1,865	445	-	2,310
Depreciation	-	-	-	1,718	-	1,718
Indirect costs	-	3,201	3,201	(3,201)	-	-
In-kind (Note 12)	-	-	-	112,663	-	112,663
<b>Total</b>	<b>\$ 150,307</b>	<b>\$ 443,303</b>	<b>\$ 593,610</b>	<b>\$ 233,499</b>	<b>\$ -</b>	<b>\$ 827,109</b>

See Notes to financial Statements.



HARVEST HOME FARMER'S MARKET, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operation		
Net increase (decrease) in net assets	\$ 2,225	\$ (5,906)
Adjustments to reconcile net increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	552	1,718
Changes in operating assets and liabilities:		
(Increase) Decrease in operating assets:		
Receivables	(52,714)	(73,265)
Prepaid expenses	(2,063)	-
Security deposits	-	-
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued expenses	39,401	(5,863)
Accrued farmer's token redemption	(31,461)	54,936
Advance payable	37,500	(22,916)
Other liabilities	<u>(18,563)</u>	<u>-</u>
Net cash provided (used) by operating activities	(25,123)	(51,296)
Cash flows from investing activities		
Cash flows from financing activities		
Line of credit - (payment) borrowed - net	-	-
Loan proceeds - net	<u>-</u>	<u>72,494</u>
Net cash provided from financing activities	<u>-</u>	<u>72,494</u>
Net increase (decrease) in cash	(25,123)	21,198
Cash and cash equivalents, beginning	<u>74,273</u>	<u>53,075</u>
Cash and cash equivalents, ending	\$ <u>49,150</u>	\$ <u>74,273</u>
Supplemental Disclosure		
Interest paid	\$ <u>3,430</u>	\$ <u>3,372</u>

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 1. Principal Activity and Significant Accounting Policies

Organization

Harvest Home Farmer's Market, Inc. (HHFM") founded in 1993 is a non-profit organization incorporated pursuant to the Not-for-Profit Corporation Law of the State of New York. Harvest Home Farmer's Market, Inc. is one of New York State's largest operators of farmers markets in high need, low-income communities whose main goal is to increase access to local farm fresh produce, educate the public about health and nutrition and support regional agriculture.

Following are HHFM two major service areas:

Farmers Market - Increase the buying power of low-income NYC residents to purchase fresh produce through consumer payment options using Supplemental Nutrition Assistance Program (SNAP/EBT) dollars, Farmers Market Nutrition Program (FMNP) coupons, Women, Infant & Children (WIC) coupons, and NYC Department of Health and Mental Hygiene (NYCDOHMH) Health Bucks.

Healthy Living/Eating - Conduct cooking demonstrations throughout NYC and distribute samples of plant-based recipes along with valuable nutrition information. Distribute free produce to participants of the cooking demonstrations by purchasing fresh fruits and vegetables directly from participants farmers. Reach out to people with quick, low-cost, seasonally based recipes and nutrition information through the Food Talk newsletter.

Basis of Presentation

On August 18, 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities ("NFP"). The guidance requires NFPs to present, on the face of the statement of financial position, the amount for each of two classes of net assets - net assets with donor restrictions and net assets without donor restrictions. The disclosures are intended to highlight the importance of information about how those restrictions and designations affect the use of resources, including their liquidity. The guidance also requires disclosure of the aggregate amount by which the funds are underwater, the original gift amount (or amount required to be maintained by the donor or law), and any governing board policy or decisions to spend, or not spend, from such funds.

HHFM's net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor 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. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and payables.

Cash and Cash Equivalents

HHFM consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long-term purposes are excluded from this definition.

Receivables

Receivables consist primarily of non-interest-bearing receivables. All receivables are expected to be collected within one year and as such have been recorded at their net realizable value with no allowance for uncollected receivable. Receivables are written off when deemed uncollectable.

Property and Equipment

HHFM capitalizes certain property with estimated lives of three years or more. Capitalized assets are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the useful lives of the asset. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

On April 2016, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-10, Revenue Contracts with Customers -Topic 606, Identifying Performance Obligations and Licensing. Accounting Standards Codification ("ASC") 606, which requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligation in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. HHFM has adopted this accounting standards and no adjustment is needed in HHFM's financials in adopting this accounting standards.

Grants and contributions received are recorded as with donor restrictions and/or without donor restrictions, depending on the existence and/or nature of any funder/donor restrictions. Grants and contributions with donor restrictions that are met in the same reporting period are reported as donor without restrictions and increase net assets without donor restrictions.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on HHFM's allocation plan and best estimates.

Income Taxes

HHFM is organized as NYS nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. HHFM is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. HHFM has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Income Taxes (Continued)

HHFM has filed Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax, as required. Currently, the three previous tax years are open and subject to examination by the taxing authorities. However, HHFM is not currently under audit nor has it been contacted by any of the taxing authorities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires HHFM to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

HHFM manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by it to be creditworthy. Cash in bank is fully covered by the Federal Depository Insurance Corporation ("FDIC"). FDIC provides deposit insurance up to \$250,000. At times, amounts on deposit may exceed insured limits. To date, HHFM has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and organizations supportive of its mission.

Subsequent Events

Management evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected in the financial statements. Such evaluation is performed through the date the financial statements were available to be issued, which was September 27, 2022 for these financial statements, noting that no further matters requiring disclosures.

Recent Accounting Guidance

In February 2020, the AICPA Accounting and Review Services Committee, issued Statements on Standards for Accounting and Review Services (SSRAS") No. 25, Materiality in a Review of Financial Statements and Adverse Conclusions amending SSRAS No. 21, Clarification and Recodification. The effective date of the guidance is for reviews of financial statements for periods ending on or after December 15, 2021. This standard has been adopted for this current year.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 2 Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 49,150	\$ 74,273
Receivables	<u>199,217</u>	<u>146,503</u>
Total	<u>\$ 248,367</u>	<u>\$ 220,776</u>

HHFM regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, HHFM considers all expenditures related to its ongoing activities of public service as well as the conduct of services undertaken to support those activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, HHFM operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

In March 2020, the United States declared the global pandemic novel coronavirus COVID19 outbreak a national emergency. As a result, HHFM has suspended some of its activities at the direction of state and local government authorities, while other activities have been converted to virtual platforms. Management continues to monitor the potential impact of the outbreak on HHFM's operations, but believes it has sufficient liquidity to maintain operations and activities throughout this national emergency.

Note 3. Cash and Cash Equivalents

At December 31, cash and cash equivalents consisted of:

	<u>2021</u>	<u>2020</u>
TD Bank		
Checking - operating and payroll (deficit)	\$ 15,882	\$ (4,209)
Checking	354	4,929
Capital One		
Checking - EBT account	32,870	73,364
Petty cash	<u>44</u>	<u>189</u>
Total cash in bank	<u>\$ 49,150</u>	<u>\$ 74,273</u>

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 4. Receivables

As of December 31, receivables consisted of:

<u>Receivable from:</u>	<u>Balance at 12/31/2021</u>	<u>Subsequent Receipts</u>	<u>Balance at 12/31/2020</u>	<u>Subsequent Receipts</u>
Fresh Radish Farm	\$ 8,740	\$ 8,740	\$	\$
Accounts receivable			10,865	10,865
NYC DYCD	123,992	123,992	103,128	103,128
NYS DOH HPNAP	17,041	17,041	13,069	13,069
Food Bank for New York City	49,444	49,444	19,441	19,441
Total	<u>\$ 199,217</u>	<u>\$ 199,217</u>	<u>\$ 146,503</u>	<u>\$ 146,503</u>

Note 5. Equipment

Equipment consisted of the following:

<u>Furniture and Equipment</u>	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 20,457	\$ 20,457
Furniture	1,563	1,563
Less: Accumulated depreciation	<u>(21,909)</u>	<u>(21,357)</u>
Total	<u>\$ 111</u>	<u>\$ 663</u>

Depreciation expense amounted to \$552 and \$1,718 in 2021 and 2020, respectively.

Note 6. Line of Credit

HHFM has a \$50,000 unsecured line of credit with TD Bank. Advances on the credit line are payable on demand and carry a variable interest rate of 7.79%. Outstanding balance amounted to \$50,000 as of December 31, 2021 and 2020.

Note 7. Accrued Farmer's Token Redemption

Consumers purchase tokens through Electronic Benefit Transactions ("EBT") and debit or credit card. Farmers collect tokens from consumers in exchange for merchandise. HHFM records a liability for tokens that have yet to be redeemed by the farmers. HHFM maintains a separate bank account to account for these transactions. Outstanding balance amounted to \$57,865 and \$89,326 in 2021 and 2020, respectively.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 8. Advance Payable

Advance payable consisted of:

Funding/Program Service	Balance at 12/31/2021	Subsequent Application/ Liquidation	Balance at 12/31/2020	Subsequent Application/ Liquidation
NYS DOH HPNAP	\$ 14,584	\$ 14,584	\$ 14,584	\$ 14,584
NYC DYCD	37,500	37,500		
Total	\$ 52,084	\$ 52,084	\$ 14,584	\$ 14,584

Note 9. Other Liabilities

Other liabilities consisted of:

Funding/Program Service	Balance at 12/31/2021	Subsequent Payments/ Liquidation	Balance at 12/31/2020	Subsequent Payments/ Liquidation
Funds for the City of New York	\$ 53,931	\$ 53,931	\$ 72,494	\$ 72,494

HHFM obtained a loan from the Fund for the City of New York for \$53,931 and \$72,494 in 2021 and 2020, respectively. The loan is an advance of funds against NYC DYCD contract to cover operating expenses. The loan is interest free to be paid in full within 90 days of the signing date of the loan agreement. The liability was subsequently liquidated in full.

Note 10. PPP Forgiven Liability

On February 28, 2021, HHFM received loan proceed in the amount of \$56,335 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. This loan was subsequently forgiven and the full amount of \$56,335 was reclassified as revenue in the current year.



HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 10. PPP Forgiven Liability (Continued)

On May 7, 2020, HHFM received a loan proceed in the amount of \$52,385 under the PPP. This loan was subsequently forgiven and reclassified as revenue in 2020.

Note 11. Office Space Commitment

HHFM acquired a six months term of membership agreement from WeWork to occupy office space located at 8 W 126<sup>TH</sup> Street, New York, NY 10027, starting February 1, 2020. After the initial term, use of the space is on a month-to-month basis.

Membership fees amounted to \$54,096 and \$44,449 for 2021 and 2020, respectively.

Note 12. In-kind

For the year ended December 31, 2021 and 2020, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>2021</u>	<u>2020</u>
Support services	\$ <u>0</u>	\$ <u>112,663</u>
Total	\$ <u>0</u>	\$ <u>112,663</u>

Note 13. Retirement Plan

HHFM opened a retirement plan in 2016. Under the plan, eligible employees may elect to make deposits, subject to the maximum amount allowed for federal tax purposes. In addition, the plan calls for the HHFM to make matching contributions based on the participant's contribution and salary. HHFM did not make employer contribution to the plan for the years ended 2021 and 2020.

Note 14. Related Party Transactions

None

Note 15. Contingent Liability

Reimbursements from grant related expenses and overhead applicable to programs conducted under contract funded by government agencies are subject to audit by the funding agencies which may result in adjustments for disallowance. The amount of the disallowance, if any, cannot be determined as of the date of this report and no provision in the financial statement is made for these potential liabilities.

HARVEST HOME FARMER'S MARKET, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

Note 16. Government Awards and Contract

HHFM received various grants from government agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when HHFM has met its performance goal or incurred expenditures in compliance with specific contract or grant provisions.

Government awards and contracts consisted of:

<u>Funding Agency</u>	<u>Contract no.</u>	<u>Budget period</u>	<u>Budget Amount</u>	<u>Revenue from 1/1/21 to 12/31/21</u>
<u>Federal Grants</u>				
Small Business Administration - PPP	N/A	N/A	\$ 56,335	\$ 56,335
Total			56,335	56,335
<u>New York State and NYC Grants</u>				
NYS Department of Health -HPNAP	C32844GG	07/1/20 - 6/30/21	175,000	41,811
NYS Department of Health -HPNAP	C32844GG	07/1/21 - 6/30/22	175,000	147,802
Food Bank for New York City - Nourish	N/A	1/1/21 to 12/31/21	248,548	245,240
NYC Department of Youth & Community	68186S	7/1/20 - 6/30/21	150,000	46,872
NYC Department of Youth & Community	931024T	7/1/21 - 6/30/22	150,000	123,992
Mayor's Fund to Advance NYC	N/A	N/A	-	2,000
Total			<u>898,548</u>	<u>607,717</u>
Total			<u>\$ 954,883</u>	<u>\$ 664,052</u>

<u>Funding Agency</u>	<u>CFDA No./ Contract No.</u>	<u>Budget period</u>	<u>Budget Amount</u>	<u>Amount Expended from 1/1/20 to 12/31/20</u>
<u>Federal Grants</u>				
Small Business Administration	Loan # 4310307702	5/07/20 - 10/22/20	\$ 52,385	\$ 52,385
Total			52,385	52,385
<u>New York State and NYC Grants</u>				
NYS Department of Health	C32844GG	11/1/18 - 6/30/20	291,667	91,580
NYS Department of Health	C32844GG	07/1/20 - 6/30/21	175,000	133,189
NYS Department of Health	N/A	05/1/20 - 12/31/20	173,984	173,952
NYC Department of Youth & Community Development	68186R	7/1/19 - 6/30/20	150,000	40,119
NYC Department of Youth & Community Development	68186S	7/1/20 - 6/30/21	150,000	103,127
Total			<u>940,651</u>	<u>541,967</u>
Total			<u>\$ 993,036</u>	<u>\$ 594,352</u>