

HARVEST HOME FARMER'S MARKET, INC.

**AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

ANGELITO A. BALLO, CPA

HARVEST HOME FARMER'S MARKET, INC.
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

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Independent Accountant's Review Report

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

Opinion

I have audited the financial statements of Harvest Home Farmer's Market, Inc. ("HHFM"), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HHFM as of December 31, 2022 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report.

I am required to be independent of HHFM and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Matter

The 2021 financial statements were reviewed by me and my report thereon, dated September 27, 2022, stated I was not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 HHFM's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 HHFM'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HHFM's ability to continue as a going concern for a reasonable period.

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

A. Ballo, CPA
Angelito A. Ballo, CPA

New York, NY
April 17, 2023

HARVEST HOME FARMER'S MARKET, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 145,740	\$ 49,150
Receivables (Note 5)	219,055	199,217
Prepayments	-	2,063
Total current assets	364,795	250,430
Non-current assets		
Equipment (net of accumulated dep.) (Note 6)	-	111
Total non-current assets	-	111
Other assets		
Security deposit	7,005	6,690
Total other assets	7,005	6,690
Total Assets	\$ 371,800	\$ 257,231
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 135,310	\$ 47,189
Line of credit (Note 7)	44,746	50,000
Accrued farmer's token redemption (Note 8)	112,236	57,865
Advance payable (Note 9)	29,167	52,084
Other liabilities (Note 10)	64,582	53,931
Total current liabilities	386,041	261,069
Net Assets		
Without donor restrictions	(14,241)	(3,838)
With donor restrictions	-	-
Total net assets	(14,241)	(3,838)
Total Liabilities and Net Assets	\$ 371,800	\$ 257,231

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	For 2022			For 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Government grants & contracts	\$ 941,411	\$	\$ 941,411	\$ 607,717	\$	\$ 607,717
PPP forgiven liability (Note 10)			-	56,335		56,335
Non-government grants and contract	5,000		5,000	-		-
Direct public support and general contributions	16,636		16,636	66,871		66,871
Market rents	74,050		74,050	71,330		71,330
Miscellaneous	7,043		7,043			-
Total revenues and other support	<u>1,044,140</u>	-	<u>1,044,140</u>	<u>802,253</u>	-	<u>802,253</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	1,044,140	-	1,044,140	802,253	-	802,253
Expenses:						
Program services:						
Farmer's market	274,364		274,364	183,592		183,592
Healthy living/eating	626,112		626,112	459,056		459,056
Total program expenses	<u>900,476</u>	-	<u>900,476</u>	<u>642,648</u>	-	<u>642,648</u>
Supporting activities						
Management and general	152,167		152,167	157,380		157,380
Fund raising	1,900		1,900	-		-
Total expenses	1,054,543	-	1,054,543	800,028	-	800,028
Increase (decrease) in net assets	(10,403)	-	(10,403)	2,225	-	2,225
Net assets, beginning	<u>(3,838)</u>	<u>-</u>	<u>(3,838)</u>	<u>(6,063)</u>	<u>-</u>	<u>(6,063)</u>
Net assets, ending	<u>\$ (14,241)</u>	<u>\$ -</u>	<u>\$ (14,241)</u>	<u>\$ (3,838)</u>	<u>\$ -</u>	<u>\$ (3,838)</u>

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services			Supporting Services		2022 Total	2021 Total
	Farmer's Market	Healthy Living/ Eating	Total	Management and General	Fund Raising		
Expenses:							
Salaries	\$ 166,969	\$ 156,489	\$ 323,458	\$ 26,042	\$ 1,900	\$ 351,400	\$ 296,163
Fringe benefits	19,265	14,764	34,029	13,364		47,393	37,465
Contracted services	14,700	35,909	50,609	77,053		127,662	68,971
Dues and permits	2,008		2,008	174		2,182	3,275
HPNAP farmer vendor reimbursemen	550	290,185	290,735	1,347		292,082	263,820
Health bucks reimbursement	28,000	31,595	59,595			59,595	2,391
Advertising & marketing	470	1,300	1,770	14		1,784	3,858
Insurance	462		462	1,387		1,849	2,460
Occupancy	5,057	59,434	64,491	9,273		73,764	54,096
Supplies	6,801	1,259	8,060	8,028		16,088	19,036
Postage	125		125	29		154	178
Printing	315	13,888	14,203	13		14,216	64
Telephone	2,442	1,957	4,399	27		4,426	4,382
Conference & meetings	48		48	3,539		3,587	2,500
Market Transport	15,430	10,077	25,507	837		26,344	20,715
Travel expenses	4,567	-	4,567	4,326		8,893	6,735
Website and internet	2,608	6,368	8,976	786		9,762	2,426
Storage	4,547	1,827	6,374	120		6,494	7,050
Bank charge			-	386		386	195
Interest			-	4,027		4,027	3,430
Donation			-	100		100	-
Miscellaneous		1,060	1,060	1,184		2,244	266
Depreciation			-	111		111	552
Total	\$ 274,364	\$ 626,112	\$ 900,476	\$ 152,167	\$ 1,900	\$ 1,054,543	\$ 800,028

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Cash flows from operation		
Net increase (decrease) in net assets	\$ (10,403)	\$ 2,225
Adjustments to reconcile net increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	111	552
Changes in operating assets and liabilities:		
(Increase) Decrease in operating assets:		
Receivables	(19,838)	(52,714)
Prepaid expenses	2,063	(2,063)
Security deposits	(315)	-
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued expenses	88,121	39,401
Accrued farmer's token redemption	54,371	(31,461)
Advance payable	(22,917)	37,500
Other liabilities	10,651	(18,563)
Net cash provided (used) by operating activities	101,844	(25,123)
Cash flows from investing activities		
Cash flows from financing activities		
Line of credit - (payment) borrowed - net	(5,254)	-
Loan proceeds - net	-	-
Net cash provided from financing activities	(5,254)	-
Net increase (decrease) in cash	96,590	(25,123)
Cash and cash equivalents, beginning	49,150	74,273
Cash and cash equivalents, ending	\$ 145,740	\$ 49,150
Supplemental Disclosure		
Interest paid	\$ 4,027	\$ 3,430

See Notes to financial Statements.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

Summarized Comparative Totals

The 2021 financial statements include certain summarized comparative information in total and is presented for comparison purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Basis of Presentation

HHFM's financial statements are presented consistent with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Organizations (ASC 958). Under FASB ASC 958, the corporation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor 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.

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

Basis of Accounting

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

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

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.

Revenue and Revenue Recognition

Revenue is recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-10, *Revenue Contracts with Customers. 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.

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.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

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.

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.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Financial Instruments and Credit Risk (Continued)

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 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 April 17, 2023 for these financial statements, noting that no further matters requiring disclosures.

Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. For non-public entities the standard is effective for annual period beginning after December 15, 2021. HHFM is not subject to disclosure of key information about its space rental arrangements.

In May 2019, the AICPA Auditing Standards Board ("ASB") issued, *Statement on Auditing Standards ("SAS") 134, Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* as a final standard. These changes will be effective for audits of financial statements for period ending on or after December 15, 2021.

SAS No. 134 requires new reporting standards with a fresh new auditor's report format that:

- A. Repositions the report sections to lead with the opinion and basis of opinion in the first two sections of the auditor's report, and a new expanded auditor's responsibilities section
 - a. The "Opinion" section is now presented as the first section of the auditor's report

HARVEST HOME FARMER'S MARKET, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

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

Recent Accounting Guidance (Continued)

- b. There is a new "Basis for Opinion" section, which is the second section that follows the "Opinion" section, and includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, and
- c. There is a new expanded section with the heading "Auditor's Responsibilities for the Audit of the Financial Statements," which includes a description of the auditor's responsibilities for conducting the audit, including responsibilities for professional judgment and skepticism, and communication with those charged with governance.
- B. Introduces new guidance on communicating key audit matters
- C. Changes the auditor's report format when there is a modified opinion, and
- D. Changes the reporting presentation when an auditor includes an emphasis-of-matter or other-matter paragraph in the auditor's report.

HHFM adopted this recent accounting guidance for this current audit period.

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:

	2022	2021
Cash and cash equivalents	\$ 145,740	\$ 49,150
Receivables	219,055	199,217
Total	\$ 364,795	\$ 248,367

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.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 Liquidity and Availability (continued)

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. Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

HHFM does not have assets and liabilities that are required to be reported at fair value on a recurring basis for the fiscal year ended December 31, 2022. The carrying values of cash and cash equivalents, pledges and grants receivable, accounts payable and accrued expenses approximated their fair values due to the short-term nature of these financial instruments.

Note 4. Cash and Cash Equivalents

At December 31, cash and cash equivalents consisted of:

	<u>2022</u>	<u>2021</u>
TD Bank		
Checking - operating and payroll	\$ 54,447	\$ 15,882
Checking	12	354
Capital One		
Checking - EBT account	91,150	32,870
Petty cash	<u>131</u>	<u>44</u>
Total cash	<u>\$ 145,740</u>	<u>\$ 49,150</u>

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 5. Receivables

As of December 31, receivables consisted of:

<u>Receivable from:</u>	Balance at 12/31/2022	Subsequent Receipts	Balance at 12/31/2021	Subsequent Receipts
USDA	\$ 61,176	\$ 61,176	\$ 8,740	\$ 8,740
NYC DYCD	122,409		123,992	123,992
NYS DOH HPNAP	11,261	10,381	17,041	17,041
Food Bank for New York City/NY Nourish	24,209	24,209	49,444	49,444
Total	<u>\$ 219,055</u>	<u>\$ 95,766</u>	<u>\$ 199,217</u>	<u>\$ 199,217</u>

Note 6. Equipment

Equipment consisted of the following:

<u>Furniture and Equipment</u>	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 20,457	\$ 20,457
Furniture	1,563	1,563
Less: Accumulated depreciation	<u>(22,020)</u>	<u>(21,357)</u>
Total	<u>\$ -</u>	<u>\$ 663</u>

Depreciation expense amounted to \$111 and \$552 in 2022 and 2021, respectively.

Note 7. 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 \$44,746 and \$50,000 as of December 31, 2022 and 2021.

Note 8. 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 \$112,236 and \$57,865 in 2022 and 2021, respectively.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 9. Advance Payable

Advance payable consisted of:

<u>Funding/Program Service</u>	<u>Balance at 12/31/2022</u>	<u>Subsequent Application/ Liquidation</u>	<u>Balance at 12/31/2021</u>	<u>Subsequent Application/ Liquidation</u>
NYS DOH HPNAP	\$ 29,167	\$	\$ 14,584	\$ 14,584
NYC DYCD	<u> </u>	<u> </u>	<u>37,500</u>	<u>37,500</u>
Total	\$ <u>29,167</u>	\$ <u>-</u>	\$ <u>52,084</u>	\$ <u>52,084</u>

Note 10. Other Liabilities

Other liabilities consisted of:

<u>Funding/Program Service</u>	<u>Balance at 12/31/2022</u>	<u>Subsequent Payments/ Liquidation</u>	<u>Balance at 12/31/2021</u>	<u>Subsequent Payments/ Liquidation</u>
Funds for the City of New York	\$ <u>64,582</u>	\$ <u> </u>	\$ <u>53,931</u>	\$ <u>53,931</u>

HHFM obtained a loan from the Fund for the City of New York for \$64,582 and \$53,931 in 2022 and 2021, 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.

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 2021.

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 11. Office Space Commitment

HHFM acquired a six months term of membership agreement from WeWork to occupy office space located at 8 W 126TH 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 \$73,764 and \$54,096 for 2022 and 2021, respectively.

Note 12. 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 2022 and 2021.

Note 13. Related Party Transactions

None

Note 14. 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.

Note 15. 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.

Revenue from government awards and contracts consisted of:

HARVEST HOME FARMER'S MARKET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 15. Government Awards and Contract (Continued)

Revenue from government awards and contracts consisted of (Continued):

<u>Funding Agency</u>	<u>2022</u>	<u>2021</u>
<u>Federal Grants</u>		
Small Business Administration - PPP	\$ -	\$ 56,335
Gus Schumacher Nutrition Incentive Program (GusNIP)	210,300	
USDA Farmers Market Promotion Program	<u>110,555</u>	
Total	<u>320,855</u>	<u>56,335</u>
<u>New York State and NYC Grants</u>		
NYS Department of Health -HPNAP	178,579	189,613
Food Bank for New York City - NYS DOH/Nourish	293,561	245,240
NYC Department of Youth & Community Development	148,416	170,864
Mayor's Fund to Advance NYC	<u>-</u>	<u>2,000</u>
Total	<u>620,556</u>	<u>607,717</u>
Total	<u>\$ 941,411</u>	<u>\$ 664,052</u>