GROW IT FORWARD, INC.

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

GROW IT FORWARD, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management
Grow It Forward, Inc.
Manitowoc, Wisconsin

Opinion

We have audited the financial statements of Grow It Forward, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Grow It Forward, Inc. as of December 31, 2023, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grow It Forward, 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.

Other Matters

As discussed in Note 11 to the financial statements, management discovered an error in the recording of unconditional promises to give and grants receivable. Therefore, the 2022 financial statements have been restated to reflect this change.

The 2022 financial statements were reviewed by us and our report thereon, dated November 1, 2023, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. 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 as a whole.

Responsibilities 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 Grow It Forward, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 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, we:

- 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 Grow It Forward, 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 Grow It Forward, 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 and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

HAWKINS ASH CPAS, LLP

Hawkins Ash CPAs, LLP

Manitowoc, Wisconsin
December 9, 2024

GROW IT FORWARD, INC.

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2023	2022
	AUDITED	REVIEWED RESTATED
ASSETS		
Cash	$ 158,779	$ 71,456
Accounts receivable	1,988	10,029
Grants receivable	3,375	-
Unconditional promises to give	6,222	25,000
Inventory	118,770	83,504
Prepaid expenses	2,220	4,826
Property and equipment, net	554,718	607,354
Asset held for resale	6,000	-
Security deposit	1,075	-
TOTAL ASSETS	**$ 853,147**	**$ 802,169**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Line of credit	$ 38,689	$ -
Accounts payable	2,794	-
Accrued payroll and related liabilities	22,537	31,447
Other liabilities	2,686	-
Accrued interest	3,370	7,545
Deferred revenue - rental deposits	-	2,000
Note payable	288,100	288,100
TOTAL LIABILITIES	358,176	329,092
NET ASSETS		
Without donor restrictions	449,840	384,048
With donor restrictions	45,131	89,029
TOTAL NET ASSETS	494,971	473,077
TOTAL LIABILITIES AND NET ASSETS	**$ 853,147**	**$ 802,169**

The accompanying notes are an integral part of these statements.

GROW IT FORWARD, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31,					
	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
	AUDITED			REVIEWED RESTATED		
REVENUE, GAINS AND OTHER SUPPORT						
Contributions	$ 444,818	$ 44,804	$ 489,622	$ 211,098	$ 85,981	$ 297,079
In-kind contributions	739,107	-	739,107	381,855	-	381,855
Program revenue	203,510	-	203,510	94,602	-	94,602
Grant revenue	13,731	-	13,731	200,592	-	200,592
Special events	139,339	-	139,339	92,729	-	92,729
Rental income	4,050	-	4,050	5,440	-	5,440
Merchandise sales	592	-	592	395	-	395
Interest income	21	-	21	77	-	77
Net assets released from restrictions	88,702	(88,702)	-	8,112	(8,112)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	1,633,870	(43,898)	1,589,972	994,900	77,869	1,072,769
EXPENSES						
Program	1,298,877	-	1,298,877	754,067	-	754,067
Management and general	178,111	-	178,111	129,750	-	129,750
Fundraising	91,090	-	91,090	91,602	-	91,602
TOTAL EXPENSES	1,568,078	-	1,568,078	975,419	-	975,419
CHANGE IN NET ASSETS	65,792	(43,898)	21,894	19,481	77,869	97,350
NET ASSETS AT BEGINNING OF YEAR	384,048	89,029	473,077	364,567	11,160	375,727
NET ASSETS AT END OF YEAR	**$ 449,840**	**$ 45,131**	**$ 494,971**	**$ 384,048**	**$ 89,029**	**$ 473,077**

The accompanying notes are an integral part of these statements.

GROW IT FORWARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES - AUDITED
YEAR ENDED DECEMBER 31, 2023

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	$ 243,322	$ 73,347	$ 13,069	$ 329,738
Payroll taxes	19,226	5,795	1,033	26,054
Employee benefits	4,843	1,460	260	6,563
Dues and subscriptions	4,965	-	-	4,965
Professional fees	27,391	8,810	-	36,201
Supplies	47,318	1,047	-	48,365
Telephone	9,994	3,013	537	13,544
Food donations / purchases	798,633	-	-	798,633
Occupancy	26,260	8,240	1,468	35,968
Insurance	17,674	5,328	949	23,951
Repairs and maintenance	27,016	26,629	-	53,645
Printing and publications	-	5,079	-	5,079
Advertising and promotions	-	952	-	952
Travel	2,358	-	-	2,358
Conferences and training	-	-	-	-
Depreciation	69,877	21,064	3,753	94,694
Bank fees	-	5,855	-	5,855
Interest	-	11,492	-	11,492
Special events	-	-	70,021	70,021
Credit loss expense	-	-	-	-
TOTAL EXPENSES	**$ 1,298,877**	**$ 178,111**	**$ 91,090**	**$ 1,568,078**

The accompanying notes are an integral part of these statements.

GROW IT FORWARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES - REVIEWED
YEAR ENDED DECEMBER 31, 2022

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	$ 193,611	$ 67,435	$ 15,882	$ 276,928
Payroll taxes	13,737	4,344	1,048	19,129
Employee benefits	3,584	1,145	249	4,978
Dues and subscriptions	3,253	-	-	3,253
Professional fees	22,118	2,545	-	24,663
Supplies	32,845	359	-	33,204
Telephone	8,906	2,845	618	12,369
Food donations / purchases	388,749	-	-	388,749
Occupancy	15,488	4,948	1,076	21,512
Insurance	6,403	2,045	445	8,893
Repairs and maintenance	18,437	3,346	-	21,783
Printing and publications	-	7,996	-	7,996
Advertising and promotions	-	2,631	-	2,631
Travel	2,309	-	-	2,309
Conferences and training	-	125	-	125
Depreciation	44,627	14,256	3,099	61,982
Bank fees	-	3,685	-	3,685
Interest	-	10,045	-	10,045
Special events	-	-	69,185	69,185
Bad debt	-	2,000	-	2,000
TOTAL EXPENSES	**$ 754,067**	**$ 129,750**	**$ 91,602**	**$ 975,419**

The accompanying notes are an integral part of these statements.

GROW IT FORWARD, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2023	2022
	AUDITED	REVIEWED RESTATED
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 21,894	$ 97,350
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	94,694	61,982
Bad debt expense	-	2,000
Noncash inventory adjustment	(35,266)	(49,504)
Changes in assets and liabilities:		
(Increase) decrease in current assets		
Accounts receivable	8,041	(10,029)
Grants receivable	(3,375)	-
Unconditional promises to give	18,778	(25,000)
Prepaid expenses	2,606	(4,826)
Asset held for resale	(6,000)	-
Security deposit	(1,075)	-
Increase (decrease) in current liabilities		
Accounts payable	2,794	-
Accrued payroll and related liabilities	(8,910)	24,821
Other liabilities	2,686	-
Accrued interest	(4,175)	7,545
Deferred revenue - rental deposits	(2,000)	2,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	90,692	106,339
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(42,058)	(228,371)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(42,058)	(228,371)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	39,000	-
Payments from line of credit	(311)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	38,689	-
NET INCREASE (DECREASE) IN CASH	87,323	(122,032)
CASH AT BEGINNING OF YEAR	71,456	193,488
CASH AT END OF YEAR	**$ 158,779**	**$ 71,456**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 15,667	$ 2,500

The accompanying notes are an integral part of these statements.

NOTE 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization - Grow It Forward, Inc. (the "Organization") is an anti-hunger organization founded in 2014. The Organization uses good food to build community and feed change in Manitowoc County. Their mission is to provide people in need with dignified access to good food, along with opportunities to grow, cook, share and advocate for it. During the year ended December 31, 2022, approximately 12% of the total revenue came from one funding source.

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

Basis of Presentation - The accompanying financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor 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, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounting Pronouncements Adopted - At the beginning of 2023, the Organization adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Cash and Cash Equivalents - The Organization's cash consists of cash on deposit with banks. For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization does not have any cash equivalents as of December 31, 2023 and 2022.

Accounts Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Accounts Receivable - Continued - Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all receivables are collectible, accordingly, no allowance has been recorded.

Grants Receivable - The Organization receives government grants that are on a reimbursement basis. Grants receivable include claims made on the grant for the current year spending. Management believes the balance in grants receivable is fully collectible as of December 31, 2023 and 2022.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a nominal interest rate applicable to the year in which the promise is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management provides for uncollectible amounts through a provision for uncollectible pledge expense from outstanding balances and an adjustment to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. Management believes all receivables are collectible; accordingly, no allowance has been recorded.

Inventory - Inventory consists of purchased and donated food. Purchased food is valued at the lower of cost or net realizable value. Donated food is valued at the approximate average value per pound using an average of various retail prices per pound through the U.S. Bureau of Labor Statistics or various retail chain stores. Inventory is generally used on a first-in, first-out basis, but spoilage dates are also considered. Donated food/other product is reflected as in-kind contributions in the statements of activities.

Property and Equipment - All acquisitions of property and equipment in excess of $1,000 with useful lives greater than one year are capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Asset	Life
Furniture, fixtures and equipment	5 - 15 years
Vehicles	5 years
Building improvements	5 - 15 years
Buildings	39.5 years

Valuation of Long-lived Assets - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at December 31, 2023 and 2022.

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Deferred Revenue - Payments received during the year for future services are deferred and recognized as income when earned.

Revenue Recognition - The Organization records the following exchange transaction revenue in its statement of activities and changes in net assets:

Special Event Revenue - Ticket Sales, Sponsorships and Raffles: The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event - exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at the special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The performance obligation is the delivery of the event. The event fee is set by the Organization. The Organization combines in the statements of activities the exchange and contribution components of the gross proceeds from special events. Special event fees/sponsorships collected by the Organization in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special events fees received before year-end for an event to occur after year end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Special Event Revenue - Food and Beverage Sales: As part of the special events, the Organization provides food and beverage to attendees for purchase. The performance obligation is the exchange of food and beverages for cash. Revenue recognition occurs when the product is delivered to the customer.

Program Revenues: The Organization operates a café where guests purchase food and beverages developed as part of their programing and the Organization also operates a farm & garden where they sell various products grown in that program. The performance obligation is the exchange of food and beverage for cash. Revenue recognition occurs when the product is delivered to the customer.

Rental Income: Individuals and companies can rent out space at the Organization for the farmers market, gardens, and other events at the community center. The Organization has established rates for the various rental opportunities. The performance obligation is providing the various rental activity on the agreed upon date. Deposits are received on these activities and are included in deferred revenue until the event occurs at which time a final payment is received and the revenue is recognized in full.

Merchandise Sales: The Organization sells merchandise. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Organization based on reasonable retail prices. As each item is individually priced, no allocation of the transaction price is necessary. The Organization recognizes revenue as the customer pays and takes possession of the goods.

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Contribution Recognition - Contributions are recognized when received or unconditionally pledged. Conditional contributions and promises to give, are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Contributions that are not restricted by the donor are reported as an increase in net assets without donor restrictions. When a 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.

Grant Recognition - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant awards that are contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

In-Kind Contributions - The Organization records the value of donated goods when there is an objective basis to measure the value. Donated fundraising items are valued using the final amount received from the sale or raffle of the item. Donated goods are reflected as in-kind contribution revenue and donated fundraising items are included in special event revenue in the accompanying statements of activities.

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills that are performed by people with those skills and would otherwise be purchased by the Organization. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution.

A substantial number of volunteers have made significant contributions of their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these financial statements because the criteria for recognition have not been satisfied.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Those expenses include salaries and wages, employee benefits, payroll taxes, insurance, and certain office expenses, which are allocated based on estimates of time and usage as determined by management.

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Advertising Costs - Advertising costs are expensed as incurred.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Tax Status - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). 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 charitable contribution deductions and has been classified as an organization other than a private foundation. The Organization is also exempt from State taxation.

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax period. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purpose to conform to the presentation of the current year's financial statements.

Subsequent Events - The Organization evaluated subsequent events through December 9, 2024, the date which the financial statements were available to be issued.

NOTE 2 - Concentration of Cash and Credit Risk

The Organization may have deposits with a financial institution at times during the year that exceed the Federal Deposit Insurance Corporation (FDIC) insurance threshold of $250,000. The Organization's deposits at December 31, 2023 and 2022 did not exceed the FDIC insurance threshold. The Organization does not require collateral or other security to support deposits subject to this credit risk.

NOTE 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	2023	2022 Restated
Cash	$ 158,779	$ 71,456
Accounts receivable	1,988	10,029
Grants receivable	3,375	-
Unconditional pledges receivable in less than one year	6,222	25,000
Total financial assets available within one year	170,364	106,485
Less amounts not available for general expenditure within one year:		
Net assets with donor restrictions	38,909	64,029
Total financial assets available to management for general expenditure within one year	$ 138,880	$ 56,856

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit of $40,000, which it could draw upon. Refer to Note 6 for line of credit information.

NOTE 4 - Unconditional Promises to Give

The aggregate collections of promises to give are as follows at December 31:

	2023	2022 Restated
Receivable in less than one year	$ 6,222	$ 25,000
Receivables in one to five years	-	-
Total unconditional promises to give	6,222	25,000
Less: Allowance for unconditional promises to give	-	-
Less: Discount to net present value	-	-
NET UNCONDITIONAL PROMISES TO GIVE	**$ 6,222**	**$ 25,000**

There is no allowance for uncollectible promises to give as management considers all unconditional promises to give to be collectible.

NOTE 5 - Property and Equipment

A summary of property and equipment is as follows as of December 31:

	2023	2022
Land	$ 66,605	66,605
Buildings and improvements	344,283	324,852
Furniture and fixtures	15,415	15,415
Equipment	273,625	250,998
Vehicles	56,069	56,069
	755,997	713,939
Less: Accumulated depreciation	201,279	106,585
NET PROPERTY AND EQUIPMENT	**$ 554,718**	**$ 607,354**

Depreciation expense amounted to $94,694 and $61,982 for the years ended December 31, 2023 and 2022.

NOTE 6 - Line of Credit

The Organization entered into a $20,000 line of credit agreement with a local financial institution on October 9, 2019, with a maturity of October 9, 2024. The interest rate is equal to the Wall Street Journal Prime rate (index rate) plus a margin of 1.00%. On September 6, 2023, The Organization closed the previous line of credit agreement and entered into a $40,000 line of credit agreement with a maturity of September 6, 2024, with the same institution. The interest rate is equal to the index rate plus a margin of 0.50%. Interest rates on the lines of credit at December 31, 2023 and 2022 were 9.00% and 8.50%, respectively. The agreements are collateralized by substantially all assets of the Organization. The outstanding balance on the line of credit was $38,689 for the year ended December 31, 2023. There was no balance outstanding at December 31, 2022. Subsequent to year end, The line was extended through February 6, 2025.

NOTE 7 - Long-Term Debt

The Organization's note payable is as follows at December 31:

	2023	2022
Promissory note with the U.S Small Business Administration, with interest at 2.75% at December 31, 2022 and monthly payments of $1,250. Payments will first be applied to interest accrued on the note. Collateralized by substantially all assets of the Organization. The note is due in May 2050.	$ 288,100	$ 288,100
Less current maturities	3,729	-
TOTAL	$ 284,371	$ 288,100

NOTE 7 - Long-Term Debt - Continued

Aggregate maturities of long-term debt for the next five years and thereafter following December 31, 2023 are as follows:

2024	$ 3,729
2025	7,271
2026	7,473
2026	7,682
2027	7,896
2028 and thereafter	254,049
TOTAL	**$ 288,100**

NOTE 8 - Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2023	2022 Restated
Subject to expenditure for specified purpose:		
Gift cards	327	515
Feed our future program expenses	15,931	23,808
Emergency building repairs	22,651	-
Hydroponic flex farms	-	4,000
Program expenses and equipment	-	32,658
Other	-	3,048
	38,909	64,029
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	6,222	25,000
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 45,131**	**$ 89,029**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2023	2022
Expiration of time restrictions	$ 25,000	$ -
Satisfaction of purpose restrictions:		
Food distribution	-	3,250
Gift cards	188	193
Program expenses and equipment	32,658	-
Hydroponic flex farms	4,000	-
Feed our future program expenses	23,808	-
Other	3,048	4,669
TOTAL RESTRICTIONS RELEASED	**$ 88,702**	**$ 8,112**

NOTE 9 - Leases

The Organization leased land from the City of Manitowoc to operate a community garden. The lease expired in March 2022. A new lease was not signed; however, there is a verbal agreement that the Organization can continue to use the land on a month to month basis.

The Organization leases a building with a board member (a related party) for the operation of the Harmony Café. The initial term of the lease is for a term of twelve months that runs from June 1, 2023 through May 31, 2024. This lease agreement was extended for an additional twelve months subsequent to year end. Total rent paid during the year ended December 31, 2023 was $7,525.

The Organization has elected the short-term lease exemption for all leases with a term of twelve months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

NOTE 10 - In-Kind Contributions

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses or assets are as follows for the years ended December 31:

	2023	2022
Supplies	$ -	$ 619
Inventory, food donations	739,107	381,236
TOTAL IN-KIND CONTRIBUTIONS	**$ 739,107**	**$ 381,855**

Contributed supplies received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to supplies expense. Donated supplies are valued at the fair market value based on current market rates for similar items.

Donated food is valued at the approximate average value per pound by specific product category using an average of various retail prices per pound through the U.S. Bureau of Labor Statistics or various retail chain stores. All contributed goods were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated supplies or food.

NOTE 11 - Prior Period Adjustment

During 2023, management discovered an error in the recording of unconditional promises to give and grants receivable as of December 31, 2022. Net assets with donor restrictions and unconditional promises to give have been increased by $25,000 at December 31, 2022. Net assets without donor restrictions and grants receivable have been decreased by $14,400 at December 31, 2022.

NOTE 12 – Subsequent Event

Subsequent to year-end, the Organization's Executive Director loaned the Organization $40,500. The loan is unsecured and payable upon demand.