

GROW IT GREEN MORRISTOWN, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**GROW IT GREEN MORRISTOWN, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Grow It Green Morristown, Inc.
Morristown, New Jersey

We have reviewed the accompanying financial statements of Grow It Green Morristown, Inc., (Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year 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 management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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 State of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Grow It Green Morristown, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Board of Directors
Grow It Green Morristown, Inc.

Accountants' Conclusion

Based on our review, we are 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Livingston, New Jersey
August 9, 2024

GROW IT GREEN MORRISTOWN, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 635,493	\$ 574,882
Accounts Receivable	1,000	2,553
Total Current Assets	636,493	577,435
PROPERTY AND EQUIPMENT, Net	15,432	31,318
Total Assets	\$ 651,925	\$ 608,753
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 12,919	\$ 8,872
Total Liabilities	12,919	8,872
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	595,958	557,944
With Donor Restrictions	43,048	41,937
Total Net Assets	639,006	599,881
Total Liabilities and Net Assets	\$ 651,925	\$ 608,753

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 191,576	\$ 1,150	\$ 192,726
Foundation Income	62,437	43,624	106,061
Program Income	111,594	-	111,594
Fundraising Income	20,691	-	20,691
Other	4,633	-	4,633
Total	<u>390,931</u>	<u>44,774</u>	<u>435,705</u>
Net Assets Released from Restriction	<u>43,663</u>	<u>(43,663)</u>	<u>-</u>
Total Revenues and Other Support	434,594	1,111	435,705
EXPENSES			
Program	286,805	-	286,805
Management and General	57,371	-	57,371
Fundraising	52,404	-	52,404
Total Expenses	<u>396,580</u>	<u>-</u>	<u>396,580</u>
CHANGES IN NET ASSETS	38,014	1,111	39,125
Net Assets - Beginning of Year	<u>557,944</u>	<u>41,937</u>	<u>599,881</u>
NET ASSETS - END OF YEAR	<u><u>\$ 595,958</u></u>	<u><u>\$ 43,048</u></u>	<u><u>\$ 639,006</u></u>

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 157,590	\$ 500	\$ 158,090
Foundation Income	63,834	49,500	113,334
Government Contributions	34,912	-	34,912
Program Income	109,261	-	109,261
Fundraising Income	53,459	-	53,459
Other	378	-	378
Total	<u>419,434</u>	<u>50,000</u>	<u>469,434</u>
Net Assets Released from Restriction	63,693	(63,693)	-
Total Revenues and Other Support	<u>483,127</u>	<u>(13,693)</u>	<u>469,434</u>
EXPENSES			
Program	242,133	-	242,133
Management and General	67,931	-	67,931
Fundraising	54,557	-	54,557
Total Expenses	<u>364,621</u>	<u>-</u>	<u>364,621</u>
CHANGES IN NET ASSETS	118,506	(13,693)	104,813
Net Assets - Beginning of Year	<u>439,438</u>	<u>55,630</u>	<u>495,068</u>
NET ASSETS - END OF YEAR	<u>\$ 557,944</u>	<u>\$ 41,937</u>	<u>\$ 599,881</u>

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	Program	Management and General	Fundraising	Total Expenses
Salary	\$ 190,200	\$ 28,407	\$ 34,654	\$ 253,261
Payroll Taxes	18,228	2,722	3,321	24,271
Total Salaries and Taxes	208,428	31,129	37,975	277,532
Office Expense	4,128	707	29	4,864
Occupancy	1,091	-	-	1,091
Professional Fees	-	20,767	-	20,767
Travel and Meetings	1,808	-	7	1,815
Fees	2,225	-	1,503	3,728
Subscriptions	838	-	-	838
Insurance	6,093	-	346	6,439
Fundraising	15	-	9,798	9,813
Miscellaneous	1,772	109	2,147	4,028
Supplies	19,263	3,584	52	22,899
Advertising	2,200	-	157	2,357
Auto	2,716	-	-	2,716
Equipment and Maintenance	20,342	1,075	390	21,807
Depreciation	15,886	-	-	15,886
Total Functional Expenses	<u>\$ 286,805</u>	<u>\$ 57,371</u>	<u>\$ 52,404</u>	<u>\$ 396,580</u>

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salary	\$ 163,892	\$ 20,812	\$ 27,127	\$ 211,831
Payroll Taxes	14,914	1,894	2,469	19,277
Total Salaries and Taxes	<u>178,806</u>	<u>22,706</u>	<u>29,596</u>	<u>231,108</u>
Office Expense	5,423	3,425	1,550	10,398
Occupancy	5,063	-	-	5,063
Professional Fees	424	18,551	-	18,975
Travel and Meetings	200	340	872	1,412
Fees	2,066	1,320	1,824	5,210
Subscriptions	-	888	-	888
Insurance	-	8,925	346	9,271
Fundraising	-	422	9,260	9,682
Supplies	23,808	237	8,554	32,599
Advertising	1,248	348	1,091	2,687
Auto	2,509	-	-	2,509
Equipment and Maintenance	13,650	10,769	1,464	25,883
Depreciation	<u>8,936</u>	<u>-</u>	<u>-</u>	<u>8,936</u>
Total Functional Expenses	<u><u>\$ 242,133</u></u>	<u><u>\$ 67,931</u></u>	<u><u>\$ 54,557</u></u>	<u><u>\$ 364,621</u></u>

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2023	2022
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 39,125	\$ 104,813
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	15,886	8,936
Changes in Certain Assets and Liabilities:		
Accounts Receivable	1,553	(395)
Accounts Payable and Accrued Expenses	4,047	1,330
Refundable Advance	-	(33,250)
Net Cash Provided by Operating Activities	60,611	81,434
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(2,140)
NET INCREASE IN CASH	60,611	79,294
Cash - Beginning of Year	574,882	495,588
CASH - END OF YEAR	\$ 635,493	\$ 574,882
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Paycheck Protection Program Loan Forgiveness	\$ -	\$ 34,912

See accompanying Notes to Financial Statements.

GROW IT GREEN MORRISTOWN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 1 NATURE OF ORGANIZATION

Grow It Green Morristown, Inc. (Organization) was founded in 2009 with a mission to promote health to strengthen communities through urban agriculture, discovery-based learning, and equitable fresh food access. The Organization has a unique operating model creating local solutions focusing on these three pillars with an emphasis on creating learning opportunities in all programs. The main sites of operation are: The Urban Farm, Early Street Community Garden, and St. Elizabeth University Greenhouse, while growing produce as well as a satellite location in Mendham to add variety to produce offerings. In addition, the organization operates the Morris Winter Farmers Market.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard – Credit Losses

The Organization has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The company also updated its accounting policies for determining the recoverability of trade receivables, and other financial assets. 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.

Financial Statement Presentation

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

GROW IT GREEN MORRISTOWN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

The balance of cash includes deposits held in bank checking and savings accounts.

Accounts Receivable

Accounts receivable is stated at the amount the Organization expects to collect from outstanding balances, net of an allowance for doubtful accounts. The allowance is based on historical bad debts and management's evaluation of outstanding balances at year-end. As of December 31, 2023 and 2022, management has determined that no allowance is required.

Property and Equipment

Property and equipment are recorded at cost on the date of acquisition or at the fair market value of the asset based on values of comparable assets at the date of gift for donations. Depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 5 years; land improvements are not depreciated. When assets are retired or otherwise disposed of, the costs and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net assets for the period. The cost of maintenance and repairs is charged to expense as incurred.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Revenue from government grants is recognized in the period when forgiveness is awarded.

The Organization derives a significant portion of its revenue from program income, which includes sales of produce. This revenue is recognized at a point of sale when the consumer purchases the produce at the Organization's farmers' markets. The control is transferred to the Organization's consumers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the produce. There are no significant financing components or variable considerations provided to clients.

GROW IT GREEN MORRISTOWN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Services

In-kind services are recognized in the financial statements when those services create or enhance nonfinancial assets and require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. In-kind services are recorded as a contribution and an expense at their estimated fair value at the date of donation. There were no in-kind services for the years ending December 31, 2023 and 2022.

The Organization also benefits from services provided by volunteers. The value of these services has not been reflected in the financial statements since they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Advertising

Advertising is expensed as incurred.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes. The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest or penalties were recorded during the year 2023. At December 31, 2023 and 2022, there were no significant income tax uncertainties.

Use of Estimates

In preparing financial statements, management is required 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. These estimates and assumptions are based on management's best estimates and judgment. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated its subsequent events and transactions occurring after December 31, 2023 through August 9, 2024, the date that the financial statements were available to be issued.

GROW IT GREEN MORRISTOWN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Furniture and Equipment	\$ 14,017	\$ 14,017
Truck	32,488	32,488
Fencing	16,663	16,663
Land Improvements	10,750	10,750
Total	<u>73,918</u>	<u>73,918</u>
Less: Accumulated Depreciation	58,486	42,600
Total Property and Equipment	<u>\$ 15,432</u>	<u>\$ 31,318</u>

NOTE 4 NET ASSETS WITH DONOR-IMPOSED PURPOSE AND TIME RESTRICTIONS

Net assets with donor-imposed purpose restrictions consist of the following at December 31:

	2023	2022
Urban Farm Restriction	\$ -	\$ 235
Apprentice and Interns	-	1,746
Dennis Goldenberg	750	-
Community Health Connections Foundation	35,000	37,553
MSD Grant for NPS Garden	3,624	-
Training - Restricted Private Donor	400	-
Hyde and Watson Grant	-	1,596
Franklin Parker Grant	2,500	-
PSEG	2,500	807
Total	<u>\$ 44,774</u>	<u>\$ 41,937</u>

NOTE 5 PAYCHECK PROTECTION PROGRAM LOAN

The Organization obtained Paycheck Protection Program (PPP) loans under the CARES Act in April 2020 for \$33,250 and May 2021 for \$34,912. The Organization recognizes the PPP funds received when the Organization receives forgiveness from the Small Business Administration (SBA). The Organization received formal forgiveness for the first loan in July 2021. The second loan was recognized as revenue in 2022 as the Organization received forgiveness in May 2022. All amounts received under the PPP were recognized as revenue from government grants on the statement of activities and changes in net assets during the years ending December 31, 2022. The SBA reserves the right to audit loan forgiveness for six years from the date loan forgiveness was awarded.

GROW IT GREEN MORRISTOWN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

NOTE 6 FUNCTIONAL EXPENSES

Costs of providing the Organization program services, management and general, and fundraising activities are separately summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among those program services, management and general, and fundraising activities benefited. Management and general costs include those expenses that are not directly identifiable with any other specific function but do provide for the overall support and direction of the Organization. The expenses of salaries and related expenses are based on time and effort. All other expenses are direct costs.

NOTE 7 CONCENTRATIONS OF RISK AND UNCERTAINTIES

For the year ended December 31, 2023, four donors accounted for approximately 39% of total contributions. For the year ended December 31, 2022, three donors accounted for approximately 31% of total contributions.

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash. The Organization maintains its cash in accounts with federally insured institutions. At times, the balances in these accounts may be in excess of federally insured limits.

NOTE 8 LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

	<u>2023</u>	<u>2022</u>
Cash	\$ 635,493	\$ 574,882
Accounts Receivable	1,000	2,553
Total	<u>636,493</u>	<u>577,435</u>
Less: Amounts not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	<u>43,048</u>	<u>41,937</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 593,445</u>	<u>\$ 535,498</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.