

**Cheryl Rohlf & Associates, Ltd.**

*Certified Public Accountants*

**GROWING HOME, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**CONTENTS**

	<b>Page</b>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4-5
Statement of Functional Expenses	6-7
Statement of Cash Flows	8
Notes to the Financial Statements	9-14



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## **INDEPENDENT AUDITOR'S REPORT**

May 18, 2018

To the Board of Directors  
Growing Home, Inc.  
Chicago, Illinois

We have audited the accompanying financial statements of Growing Home, Inc. (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

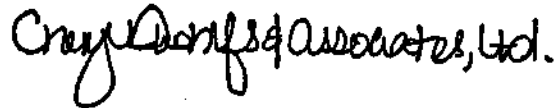
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Growing Home, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Cheryl Rohlfs & Associates, Ltd." The signature is written in a cursive, flowing style.

**CHERYL ROHLFS & ASSOCIATES, LTD.**  
Northbrook, Illinois

**GROWING HOME, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 110,040	\$ 98,829
Accounts Receivable	36,801	48,482
Unconditional Promises to Give	161,898	84,824
Prepaid Expenses	26,227	14,652
Security Deposits	<u>1,600</u>	<u>1,600</u>
<b>Total Current Assets</b>	<b>336,566</b>	<b>246,787</b>
<b>Long-Term Assets:</b>		
Property and Equipment, Net of Accumulated Depreciation	<u>835,687</u>	<u>873,291</u>
<b>Total Assets</b>	<b><u>\$ 1,172,253</u></b>	<b><u>\$ 1,121,678</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Line of Credit	\$ 112,000	\$ 15,000
Current Maturities of Long-Term Debt	29,777	12,792
Accounts Payable	9,610	24,395
Accrued Expenses	<u>55,819</u>	<u>49,666</u>
<b>Total Current Liabilities</b>	<b>207,206</b>	<b>101,853</b>
<b>Long-Term Liabilities:</b>		
Long-Term Debt, Net of Current Maturities	<u>199,166</u>	<u>228,999</u>
<b>Total Liabilities</b>	<b><u>\$ 406,372</u></b>	<b><u>\$ 330,852</u></b>
<b>Net Assets:</b>		
Unrestricted	643,881	749,159
Temporarily Restricted	<u>122,000</u>	<u>41,667</u>
<b>Total Net Assets</b>	<b><u>765,881</u></b>	<b><u>790,826</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,172,253</u></b>	<b><u>\$ 1,121,678</u></b>

See accompanying notes and independent auditor's report.

**GROWING HOME, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Unrestricted	Temporarily Restricted	2017 Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Public Support:			
Grants	\$ 397,250	\$ 321,882	\$ 719,132
Government Grants	233,868	-	233,868
Contributions	224,071	20,000	244,071
In-kind Donations	9,470	-	9,470
Special Events	285,764	-	285,764
<b>Total Public Support</b>	<u>1,150,423</u>	<u>341,882</u>	<u>1,492,305</u>
Other Revenues:			
Farm Sales	101,529	-	101,529
Other Income	952	-	952
Interest Income	665	-	665
<b>Total Other Revenues</b>	<u>103,146</u>	<u>-</u>	<u>103,146</u>
<b>Total Revenues and Gains</b>	<u>1,253,569</u>	<u>341,882</u>	<u>1,595,451</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	261,549	(261,549)	-
<b>Total Revenues, Gains and     Other Support</b>	<u>\$ 1,515,118</u>	<u>\$ 80,333</u>	<u>\$ 1,595,451</u>
<b>EXPENSES</b>			
Program Services	\$ 1,154,479	\$ -	\$ 1,154,479
Supporting Services:			
Management and General	195,863	-	195,863
Fundraising Expenses	270,054	-	270,054
<b>Total Expenses</b>	<u>\$ 1,620,396</u>	<u>\$ -</u>	<u>\$ 1,620,396</u>
<b>CHANGE IN NET ASSETS</b>	\$ (105,278)	\$ 80,333	\$ (24,945)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 749,159</u>	<u>\$ 41,667</u>	<u>\$ 790,826</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 643,881</u>	<u>\$ 122,000</u>	<u>\$ 765,881</u>

See accompanying notes and independent auditor's report.

**GROWING HOME, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (CONTINUED)**

	Unrestricted	Temporarily Restricted	2016 Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Public Support:			
Grants	\$ 340,500	\$ 383,000	\$ 723,500
Government Grants	201,541	-	201,541
Contributions	227,541	-	227,541
In-kind Donations	140,559	-	140,559
Special Events	212,642	-	212,642
Total Public Support	<u>1,122,783</u>	<u>383,000</u>	<u>1,505,783</u>
Other Revenues:			
Farm Sales	102,565	-	102,565
Other Income	2,203	-	2,203
Interest Income	103	-	103
Total Other Revenues	<u>104,871</u>	<u>-</u>	<u>104,871</u>
<b>Total Revenues and Gains</b>	<u>1,227,654</u>	<u>383,000</u>	<u>1,610,654</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	416,333	(416,333)	-
<b>Total Revenues, Gains and Other Support</b>	<u>\$ 1,643,987</u>	<u>\$ (33,333)</u>	<u>\$ 1,610,654</u>
<b>EXPENSES</b>			
Program Services	\$ 1,052,784	\$ -	\$ 1,052,784
Supporting Services:			
Management and General	174,675	-	174,675
Fundraising Expenses	271,004	-	271,004
<b>Total Expenses</b>	<u>\$ 1,498,463</u>	<u>\$ -</u>	<u>\$ 1,498,463</u>
<b>CHANGE IN NET ASSETS</b>	\$ 145,524	\$ (33,333)	\$ 112,191
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 603,635</u>	<u>\$ 75,000</u>	<u>\$ 678,635</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 749,159</u>	<u>\$ 41,667</u>	<u>\$ 790,826</u>

See accompanying notes and independent auditor's report.

**GROWING HOME, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Program Services	Supporting Services		2017 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 658,427	\$ 76,172	\$ 163,285	\$ 897,884
Employee Benefits	91,351	21,947	20,975	134,273
Payroll Taxes	50,330	5,820	12,485	68,635
	<u>\$ 800,108</u>	<u>\$ 103,939</u>	<u>\$ 196,745</u>	<u>\$ 1,100,792</u>
Production Assistants	183,700	-	-	183,700
Contract Services and Consulting	4,707	3,420	1,026	9,153
In Kind Contributions Expenses	5,528	892	3,050	9,470
Dues and Subscriptions	2,956	919	612	4,487
Equipment	9,809	1,627	1,364	12,800
Fees	6,310	35	-	6,345
Information Technology	235	3,105	1,328	4,668
Insurance	7,816	2,856	1,036	11,708
Interest Expense	-	18,038	-	18,038
Professional Fees	3,660	43,691	-	47,351
Public Relations	638	3,841	4,872	9,351
Real Estate Taxes	1,921	-	-	1,921
Rent	-	8,220	8,220	16,440
Repairs and Maintenance	142	-	-	142
Sales Tax	2,624	-	-	2,624
Security	37,408	100	-	37,508
Special Events	-	-	45,103	45,103
Supplies	24,449	1,507	355	26,311
Travel and Meetings	11,536	902	1,147	13,585
Utilities	12,863	1,728	1,596	16,187
Bank and Credit Card Fees	838	966	3,350	5,154
Miscellaneous	75	77	250	402
Total Expenses Before Depreciation	<u>\$ 1,117,323</u>	<u>\$ 195,863</u>	<u>\$ 270,054</u>	<u>\$ 1,583,240</u>
Depreciation	<u>37,156</u>	<u>-</u>	<u>-</u>	<u>37,156</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 1,154,479</b></u>	<u><b>\$ 195,863</b></u>	<u><b>\$ 270,054</b></u>	<u><b>\$ 1,620,396</b></u>

See accompanying notes and independent auditor's report.



**GROWING HOME, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (CONTINUED)**

	Program Services	Supporting Services		2016 Total
		Management and General	Fundraising	
<b>Compensation and Related Expenses:</b>				
Compensation	\$ 565,474	\$ 65,542	\$ 157,938	\$ 788,954
Employee Benefits	67,978	14,499	15,518	97,995
Payroll Taxes	44,993	5,014	12,082	62,089
	<u>\$ 678,445</u>	<u>\$ 85,055</u>	<u>\$ 185,538</u>	<u>\$ 949,038</u>
Production Assistants	181,541	-	-	181,541
Contract Services and Consulting	17,817	1,902	596	20,315
In Kind Contributions Expenses	-	6,699	16,197	22,896
Development/Research New Site	1,242	-	-	1,242
Dues and Subscriptions	50	441	-	491
Equipment	10,444	-	603	11,047
Fees	5,883	2,682	1,294	9,859
Information Technology	15	2,817	1,390	4,222
Insurance	5,384	1,792	1,025	8,201
Interest Expense	-	16,590	-	16,590
Professional Fees	1,609	40,913	325	42,847
Public Relations	2,244	2,247	5,533	10,024
Real Estate Taxes	12,000	-	-	12,000
Rent	-	6,850	8,220	15,070
Repairs and Maintenance	1,065	-	-	1,065
Sales Tax	1,549	-	-	1,549
Security	40,322	135	-	40,457
Special Events	-	-	43,339	43,339
Supplies	27,235	1,342	1,548	30,125
Travel and Meetings	13,418	1,714	3,083	18,215
Utilities	11,600	1,769	1,553	14,922
Bank and Credit Card Fees	1,227	1,717	760	3,704
Miscellaneous	200	10	-	210
<b>Total Expenses Before Depreciation</b>	<u>\$ 1,013,290</u>	<u>\$ 174,675</u>	<u>\$ 271,004</u>	<u>\$ 1,458,969</u>
Depreciation	<u>39,494</u>	<u>-</u>	<u>-</u>	<u>39,494</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,052,784</u>	<u>\$ 174,675</u>	<u>\$ 271,004</u>	<u>\$ 1,498,463</u>

See accompanying notes and independent auditor's report.

**GROWING HOME, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (Decrease) in Net Assets	\$ (24,945)	\$ 112,191
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	37,156	39,494
Gain on Disposal of Equipment	(52)	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	11,681	13,814
Unconditional Promises to Give	(77,074)	(69,824)
Prepaid Expenses	(11,575)	(10,646)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(14,785)	13,211
Accrued Expenses	<u>6,153</u>	<u>26,495</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(73,441)</u>	<u>\$ 124,735</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
(Purchases) Sale of Property and Equipment	<u>\$ 500</u>	<u>\$ (250,142)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ 500</u>	<u>\$ (250,142)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from the Line of Credit	97,000	\$ 15,000
Payments on Notes Payable	<u>(12,848)</u>	<u>(12,188)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>\$ 84,152</u>	<u>\$ 2,812</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 11,211</b>	<b>\$ (122,595)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>98,829</u>	<u>221,424</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 110,040</u>	<u>\$ 98,829</u>
Supplementary Information:		
Cash Paid During the Year for Interest	<u>\$ 18,038</u>	<u>\$ 16,590</u>

**GROWING HOME, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**1. NATURE OF THE ORGANIZATION**

Growing Home, Inc. (Organization) was incorporated as an Illinois not-for-profit corporation and is located in Chicago, Illinois. The Organization's mission is to operate, promote and demonstrate the use of organic agriculture as a vehicle for job training, employment and community development. Growing Home, Inc.'s vision is to have a world of healthy people and communities. Everyone deserves to have a good job and everyone deserves to eat well.

Since 2002, Growing Home, Inc. has been helping people find meaningful careers through skills learned while farming. The Organization provides farm-based training for people with employment barriers by providing 25 hours per week of paid on-the-job experience and job readiness training on a farm, plus the support to conquer issues like criminal records, medical needs, child-care and housing. The farms are located in Englewood, a south side Chicago community, which has experienced high rates of unemployment and poverty and lack of healthy food choices. The Production Assistants are trained in job skills, through real work experience, and supported through assistance in job placement and life planning.

During 2017 and 2016, the Organization received funding through government contracts with City of Chicago Department of Family and Support Services, the U.S. Department of Agriculture, Cook County, IL and the Illinois Department of Corrections and Cook County in Illinois.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Temporarily restricted net assets are subject to donor-imposed restrictions related to specific purposes. Satisfaction of temporarily restricted net assets (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from temporarily restricted net assets to unrestricted net assets. Permanently restricted net assets are subject to donor-imposed restrictions that will never lapse, thus requiring that the funds be retained permanently. The Organization did not report any permanently restricted net assets as of December 31, 2017 and 2016.

**Basis of Accounting**

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

### **Cash and Cash Equivalents**

The Organization considers cash in checking, savings and money market accounts to be cash and cash equivalents.

### **Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Accounts Receivable**

Accounts receivable are uncollateralized customer balances due under normal terms. Payments of accounts receivable are allocated to the specific invoices identified by the customer. Management reviews all accounts receivable balances and estimates the portion, if any, of the balance that will not be collected. At December 31, 2017 and 2016, there were no required balance in the allowance for doubtful accounts.

### **Property and Equipment**

It is the Organization's policy to capitalize property and equipment more than \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations for property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Property and equipment are depreciated using the straight-line method over the useful lives of the assets as follows:

Buildings	39 years
Building Improvements	10-39 years
Land Improvements	15 years
Equipment	5-10 years
Office Equipment	3-5 years
Vehicle	5 years

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Expense Allocations**

The costs of providing program and supporting services have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, costs have been allocated between the program services and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

**Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased by the Organization. Donated services are recorded at their fair values in the year received, totaling \$ 8,558 and \$42,283 for the years ended December 31, 2017 and 2016, respectively.

**3. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 332,878	\$ 332,878
Buildings	352,764	352,764
Building Improvements	37,132	37,132
Land Improvements	324,333	324,333
Equipment	36,738	36,738
Office Equipment	4,762	8,842
Vehicles	<u>20,637</u>	<u>20,637</u>
	1,109,244	1,113,324
Less Accumulated Depreciation	<u>(273,557)</u>	<u>(240,033)</u>
Total Property and Equipment	<u>\$ 835,687</u>	<u>\$ 873,291</u>

In 2016, the Organization was offered a parcel of land in Chicago as a contribution with the stipulation that the Organization pay the delinquent property taxes on the property. The Organization conducted a feasibility study, environmental studies and site planning procedures to determine the viability of the new site. The fair market appraisal value of the land was \$135,000. At the property's closing, \$36,724 of delinquent property taxes and \$3,877 of fees were paid by the Organization. The Organization has applied for and received the tax exempt status for future property taxes and will no longer accrue property taxes for that site.

**4. LINE OF CREDIT AGREEMENT**

The Organization has a \$200,000 line of credit agreement, of which \$112,000 was utilized at December 31, 2017. Bank advances on the credit line are payable on demand and carry an interest rate of the Lender's Reference Rate plus 1.5%, but under no circumstances will the interest rate be less than 5.75% per annum. At December 31, 2017, the interest rate was 6.0%. The interest rate was 5.25% at December 31, 2016.

The revolving line of credit agreement matured on April 15, 2018 and was renewed under similar terms with a maturity date of June 30, 2019. However, the interest rate has been revised requiring the minimum rate shall not be less than 6.25%. The line of credit is collateralized by substantially all of the Organization's assets. The Organization was not in compliance with its 120 day audit issuance covenant for the years ended December 31, 2017 and 2016 and subsequently obtained a waiver of the violation.

**5. DEBT OBLIGATIONS**

Debt Obligations consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable dated July 23, 2009, originally for \$250,000 payable to Chicago Community Loan Fund, extended for five years to August 1, 2019, when outstanding principal and interest are payable. The note requires monthly payments of principal and interest of \$1,691, with interest at 6.5%. The note is secured by land and property held by the Organization.	\$ 205,691	\$ 212,380
Note payable was dated April 12, 2012 for the original amount of \$50,000. The note requires monthly payments of principal and interest of \$602 at 4% interest through originally May 1, 2018, when outstanding principal and interest are payable. The note has been renewed for a three-year term at an interest rate of 5.25%. The note is secured by the farm equipment of the Organization.	<u>23,252</u>	<u>29,411</u>
Total Debt Obligations	<u>\$ 228,943</u>	<u>\$ 241,791</u>

Both note payables contain a 60 day audit issuance covenant for the years ended December 31, 2017 and 2016. The Organization has obtained a waiver of the violation subsequent to year-end for 2017 and 2016. Management believes that the Organization was in compliance with the other covenants as of and for the years ended December 31, 2017 and 2016.

Future maturities of the notes payable as of December 31, 2017:

<u>Year ending December 31:</u>	<u>Amount</u>
2018	\$ 29,777
2019	<u>199,166</u>
	<u>\$ 228,943</u>

## **6. LEASE COMMITMENTS**

The Organization leases office space in Chicago, Illinois under an operating lease that expired in a previous year. The Organization has continued to lease the space on a month-to-month basis. Rent expense was \$16,440 and \$15,070 in the years ended December 31, 2017 and 2016.

The Organization entered into a lease for approximately 37,000 square feet of land from another Illinois not-for-profit organization, NeighborSpace, in June 2012 in Chicago, Illinois. The lease has a ten year term and has a \$1 per year minimum rental, due in total at the commencement date of the lease. The land was leased to expand the urban agricultural operations. The Organization must maintain the premises in good condition, pay all utilities and carry property insurance and workers' compensation coverage.

## **7. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2017 of \$122,000 are donor restricted contributions available for future use. These temporarily restricted net assets are donor purpose restricted for use in the Gift Works program of \$2,000 and for space issues at the Wood Street location of \$20,000. Also included was a time-restricted contribution of \$100,000 for use in a future year for general operating expenses.

At December 31, 2016, temporarily restricted net assets of \$41,667 were available for use in subsequent years for the employment training program of \$13,333, \$20,000 for the community outreach program and \$8,334 for 2017 operating expenses.

## **8. CONVEYANCE OF LAND FROM THE CITY OF CHICAGO**

In September 2017, the City of Chicago's Community Development Commission recommended the conveyance of a parcel of land for an amount of \$1 to Growing Home, Inc. to expand its urban farm operations, documented in a resolution by the Community Development Commission to the City's Department of Planning and Development. The City Council of Chicago approved this conveyance of the interest in the real property on December 13, 2017. Growing Home, Inc. can solely use the property as an urban agricultural and job transition center and for not-for-profit ancillary and accessory uses, unless an alternative use is approved in writing at the sole discretion of the City's Department of Planning and Development.

The property is located in the 63<sup>rd</sup> Street/Ashland Redevelopment Project Area in the City of Chicago. The covenant shall terminate 10 years from the conveyance of the property, unless the Commissioner of the Department of Planning and Development releases the covenant upon the request of Growing Home, Inc. before that date.

The conveyance of this parcel of land has not officially occurred by the date of these financial statements, however, it is expected to be finalized with Growing Home, Inc. during 2018.

## **9. EVALUATION OF SUBSEQUENT EVENTS**

Management has reviewed and evaluated subsequent events from December 31, 2017 and 2016, the date of the financial statements, through May 17, 2017, the date which the financial statements were available to be issued.