

# Council on the Environment, Inc. d/b/a GrowNYC and Affiliates

Consolidated Financial Statements with Report of Independent Auditors

June 30, 2023 and 2022

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**

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## Report of Independent Auditors

To the Board of Directors of  
Council on the Environment, Inc. d/b/a GrowNYC and Affiliates:

### Opinion

We have audited the accompanying consolidated financial statements of Council on the Environment, Inc. d/b/a GrowNYC and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Council on the Environment, Inc. d/b/a GrowNYC and Affiliates as of June 30, 2023 and 2022, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are required to be independent of Council on the Environment, Inc. d/b/a GrowNYC and subsidiaries, 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.

### Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, Council on the Environment, Inc. d/b/a GrowNYC and Affiliates adopted accounting standards changes related to accounting and disclosure for leasing arrangements. Our opinion is not modified with respect to those matters.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the Organization not adopting FASB ASC 842, Leases, in relation to related party leases which eliminate in consolidation, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

*Novogradac & Company LLP*

Dover, Ohio

August 14, 2024

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As of June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 367,166	\$ 1,353,553
Restricted cash: token redemption	830,827	698,498
Restricted cash: construction disbursement	-	6,328,982
Restricted cash: construction-related reserve	778,510	955,563
Investments, at fair value	3,467,968	3,314,052
Government grants receivable	27,120,249	26,103,047
Accounts receivable - participant rental fees, net	332,087	223,428
Accounts receivable - sales, net	648,755	469,855
Accounts receivable - other fees, net	50,265	438,662
Contributions receivable	529,995	357,498
Prepaid expenses, deposits and other assets	604,627	557,239
Note receivable: NMTC Investment Fund	21,862,500	21,862,500
Operating lease right-of-use asset	235,139	-
Property and equipment, net	41,962,204	28,521,248
<b>Total assets</b>	<b>\$ 98,790,292</b>	<b>\$ 91,184,125</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,719,920	\$ 7,345,492
Accrued farmers' token redemption	830,827	698,498
Advance payments	357,840	216,168
Government grant advances	10,000	298,583
Operating lease liability	247,980	-
Note payable: construction	15,876,611	18,062,489
Note payable: QLICI loans	29,400,000	29,400,000
Note payable: general line of credit	1,000,000	-
<b>Total liabilities</b>	55,443,178	56,021,230
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without donor restrictions:		
Operations	(6,464,782)	(1,917,923)
Net investment in property and equipment	41,962,206	28,521,248
Board designated investment fund	2,943,595	2,799,469
Board designated operating reserve fund	509,586	500,299
Total without donor restrictions	38,950,605	29,903,093
With donor restrictions	4,396,509	5,259,802
<b>Total net assets</b>	<b>43,347,114</b>	<b>35,162,895</b>
<b>Total liabilities and net assets</b>	<b>\$ 98,790,292</b>	<b>\$ 91,184,125</b>

See accompanying notes to consolidated financial statements.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the years ended June 30, 2023 and 2022

	For the year ended June 30, 2023			For the year ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT:</b>						
Government grants	\$ -	\$ 15,651,894	\$ 15,651,894	\$ -	\$ 26,858,969	\$ 26,858,969
Contributions - foundations	349,275	1,140,476	1,489,751	585,021	1,618,703	2,203,724
Contributions - individuals and corporations	972,099	1,221,602	2,193,701	754,377	795,334	1,549,711
Contributed facilities, services and assets	891,616	-	891,616	762,297	-	762,297
Greenmarket participant rental fees	4,810,271	-	4,810,271	4,619,993	-	4,619,993
Sales of wholesale produce, plants and grains	5,081,755	-	5,081,755	4,723,823	-	4,723,823
Other fees	457,960	-	457,960	381,122	-	381,122
Investment activity	339,339	-	339,339	(334,917)	-	(334,917)
Miscellaneous	490,326	-	490,326	508,557	-	508,557
Net assets released from restrictior	18,877,265	(18,877,265)	-	28,921,297	(28,921,297)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>32,269,906</b>	<b>(863,293)</b>	<b>31,406,613</b>	<b>40,921,570</b>	<b>351,709</b>	<b>41,273,279</b>
<b>EXPENSES:</b>						
Program Services:						
Food access and agriculture	5,978,123	-	5,978,123	5,745,144	-	5,745,144
Wholesale	5,914,106	-	5,914,106	5,671,968	-	5,671,968
Green Space	1,154,116	-	1,154,116	960,499	-	960,499
Zero Waste	2,406,509	-	2,406,509	2,065,844	-	2,065,844
Education	2,662,895	-	2,662,895	1,295,400	-	1,295,400
GrowNYC Partners	39,265	-	39,265	32,770	-	32,770
Project Farmhouse	136,179	-	136,179	201,080	-	201,080
COVID-19 relief	-	-	-	1,724,656	-	1,724,656
New York State Regional Food Hub LLC	101,221	-	101,221	115,390	-	115,390
Total Program Services	18,392,414	-	18,392,414	17,812,751	-	17,812,751
Supporting Services:						
Management and general	3,341,324	-	3,341,324	2,360,209	-	2,360,209
Fundraising	1,488,656	-	1,488,656	1,105,746	-	1,105,746
Total Supporting Services	4,829,980	-	4,829,980	3,465,955	-	3,465,955
<b>TOTAL EXPENSES</b>	<b>23,222,394</b>	<b>-</b>	<b>23,222,394</b>	<b>21,278,706</b>	<b>-</b>	<b>21,278,706</b>
<b>CHANGE IN NET ASSETS</b>	<b>9,047,512</b>	<b>(863,293)</b>	<b>8,184,219</b>	<b>19,642,864</b>	<b>351,709</b>	<b>19,994,573</b>
TOTAL NET ASSETS - BEGINNING OF YEAR	29,903,093	5,259,802	35,162,895	10,260,229	4,908,093	15,168,322
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 38,950,605</b>	<b>\$ 4,396,509</b>	<b>\$ 43,347,114</b>	<b>\$ 29,903,093</b>	<b>\$ 5,259,802</b>	<b>\$ 35,162,895</b>

See accompanying notes to consolidated financial statements.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2023

	Program Services									Supporting Services		2023 Total Expenses
	Food Access & Agriculture	Wholesale	Green Space	Zero Waste	Education	GrowNYC Partners	Project Farmhouse	NYS Regional Food Hub LLC	Total	Management and General	Fundraising	
Salaries	\$ 3,447,911	\$ 995,329	\$ 646,844	\$ 1,491,540	\$ 1,760,109	\$ 29,158	\$ 17,521	\$ -	\$ 8,388,412	\$ 1,587,056	\$ 1,027,547	\$ 11,003,015
Payroll Taxes and Employee Benefits	769,178	302,132	171,441	283,280	452,750	8,700	1,665	-	1,989,146	307,074	256,887	2,553,107
Contributed Facilities & Services	226,236	30,576	48,912	97,836	97,836	-	-	-	501,396	390,220	-	891,616
Consultants and Professional Fees	339,804	307,195	9,122	17,564	26,755	-	2,051	87,875	790,366	609,932	132,062	1,532,360
Office Supplies	85,046	10,863	420	17,651	34,903	-	871	152	149,906	53,006	2,273	205,185
Meetings	24,256	1,465	2,799	5,401	22,192	-	1,682	-	57,795	12,040	1,542	71,377
Travel	25,975	19,826	2,058	32,224	43,316	25	37	-	123,461	5,634	1,230	130,325
Telephone and Mobile Data	52,705	11,234	4,609	13,804	19,591	-	15,550	-	117,493	18,785	-	136,278
Printing and Photography	48,811	-	1,539	7,283	744	-	-	-	58,377	420	5,959	64,756
Vehicle Fuel, Maintenance and Repair	43,618	26,355	8,343	52,064	57	-	-	-	130,437	789	-	131,226
Advertising	97,577	219	80	10,696	618	-	-	-	109,190	3,138	516	112,844
Insurance	143,250	103,384	17,022	110,447	35,589	-	3,750	-	413,442	113,728	-	527,170
Space Rentals	487,156	10,725	-	12,684	18,093	-	-	-	528,658	-	-	528,658
Operating Lease Expense	-	179,916	-	-	-	-	-	-	179,916	-	-	179,916
Field Supplies and Gardening Materials	55,077	21,726	150,613	73,494	144,139	1,382	230	-	446,661	7,428	184	454,273
Cost of Goods Sold	4,283	3,649,812	76,394	-	3	-	-	-	3,730,492	-	-	3,730,492
Equipment Lease and Rentals	15,543	135,199	12,301	121,394	1,441	-	-	-	285,878	3,342	-	289,220
Grants and Awards	27,180	-	-	-	2,900	-	-	-	30,080	-	-	30,080
Depreciation and Amortization	25,919	18,394	300	1,070	-	-	62,134	-	107,817	2,435	-	110,252
Bad Debt Expense	-	-	-	-	-	-	-	-	-	149,850	-	149,850
Miscellaneous	58,598	89,756	1,319	58,077	1,859	-	30,688	13,194	253,491	43,231	3,473	300,195
Interest Expense	-	-	-	-	-	-	-	-	-	33,216	-	33,216
Event Catering & Rental	-	-	-	-	-	-	-	-	-	-	56,983	56,983
<b>Total Expenses</b>	<b>\$ 5,978,123</b>	<b>\$ 5,914,106</b>	<b>\$ 1,154,116</b>	<b>\$ 2,406,509</b>	<b>\$ 2,662,895</b>	<b>\$ 39,265</b>	<b>\$ 136,179</b>	<b>\$ 101,221</b>	<b>\$ 18,392,414</b>	<b>\$ 3,341,324</b>	<b>\$ 1,488,656</b>	<b>\$ 23,222,394</b>

See accompanying notes to consolidated financial statements.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2022

	Program Services										Supporting Services		2022 Total Expenses
	Food Access & Agriculture	Wholesale	Green Space	Zero Waste	Education	GrowNYC Partners	Project Farmhouse	COVID-19 Relief	NYS Regional Food Hub LLC	Total	Management and General	Fundraising	
Salaries	\$ 3,344,715	\$ 908,336	\$ 512,228	\$ 1,198,845	\$ 841,422	\$ 21,049	\$ 60,621	\$ 175,626	\$ -	\$ 7,062,842	\$ 1,159,665	\$ 762,631	\$ 8,985,138
Payroll Taxes and Employee Benefits	800,658	264,573	170,403	294,346	200,651	7,444	13,200	46,227	-	1,797,502	225,393	213,537	2,236,432
Contributed Facilities & Services	226,236	30,576	48,912	97,836	97,836	-	-	-	-	501,396	260,901	-	762,297
Consultants and Professional Fees	194,592	377,272	7,232	67,545	27,829	-	3,237	54,679	97,500	829,886	440,629	115,434	1,385,949
Office Supplies	87,752	7,169	2,025	15,979	2,097	9	2,208	749	-	117,988	65,378	11,479	194,845
Meetings	17,212	1,415	1,638	12,340	4,710	-	365	-	-	37,680	2,695	375	40,750
Travel	22,845	8,459	2,556	21,481	16,658	11	3	60	-	72,073	4	65	72,142
Telephone and Mobile Data	58,595	12,858	6,270	10,812	9,150	-	16,339	683	-	114,707	17,951	-	132,658
Printing and Photography	33,653	-	83	88	4,918	-	-	-	-	38,742	8,743	-	47,485
Vehicle Fuel, Maintenance and Repairs	58,169	38,956	15,098	33,153	-	-	-	1,215	-	146,591	2,509	-	149,100
Advertising	102,212	-	-	7,280	646	-	-	-	-	110,138	3,320	633	114,091
Insurance	143,250	100,954	16,000	85,350	15,300	-	3,750	-	-	364,604	44,216	-	408,820
Space Rentals	483,680	166,784	82	10,522	256	-	-	-	-	661,324	-	-	661,324
Field Supplies and Gardening Materials	55,280	29,797	90,653	112,965	66,939	4,002	213	9,862	-	369,711	212	-	369,923
Cost of Goods Sold	-	3,451,131	84,795	-	-	-	-	1,407,940	-	4,943,866	-	-	4,943,866
Equipment Lease and Rentals	23,945	112,698	900	93,044	1,302	-	-	27,554	-	259,443	22,937	-	282,380
Grants and Awards	5,000	-	-	-	4,856	-	-	-	-	9,856	-	-	9,856
Depreciation and Amortization	18,515	55,232	439	1,070	-	-	68,222	-	-	143,478	3,946	-	147,424
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	63,878	-	63,878
Miscellaneous	68,835	105,758	1,185	3,188	830	255	32,922	61	17,890	230,924	37,832	1,592	270,348
<b>Total Expenses</b>	<b>\$ 5,745,144</b>	<b>\$ 5,671,968</b>	<b>\$ 960,499</b>	<b>\$ 2,065,844</b>	<b>\$ 1,295,400</b>	<b>\$ 32,770</b>	<b>\$ 201,080</b>	<b>\$ 1,724,656</b>	<b>\$ 115,390</b>	<b>\$ 17,812,751</b>	<b>\$ 2,360,209</b>	<b>\$ 1,105,746</b>	<b>\$ 21,278,706</b>

See accompanying notes to consolidated financial statements.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 8,184,219	\$ 19,994,573
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	110,252	147,424
Amortization of operating lease right-of-use asset	260,091	-
Bad debt expense	149,850	63,878
Donated stocks	651	360
Forgiveness of Paycheck Protection Program loan	-	(1,855,095)
Realized gain on investments	(115,824)	(112,310)
Unrealized (gain) loss on investments	(225,390)	433,742
Decrease (increase) in assets:		
Government grants receivable	(1,100,135)	(15,091,856)
Accounts receivable - participant rental fees	(121,082)	112,928
Accounts receivable - sales	(192,004)	(191,850)
Accounts receivable - other fees	347,007	54,130
Contributions receivable	(172,497)	320,082
Prepaid expenses, deposits and other assets	(47,388)	541,112
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(1,094,567)	(4,062)
Accrued farmers' token redemption	132,329	217,373
Advance payments	141,672	(110,375)
Government grant advances	(288,583)	268,223
Operating lease liability	(247,250)	-
Net cash provided by operating activities	5,721,351	4,788,277
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(120,907)	(57,227)
Payments for construction in progress	(11,961,306)	(17,348,124)
Proceeds from sales of investments	778,799	107,976
Purchases of investments	(592,152)	(1,090,139)
Net cash used in investing activities	(11,895,566)	(18,387,514)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of notes payable	(9,386,618)	(2,070,310)
Proceeds from notes payable	8,200,740	-
Net cash used in financing activities	(1,185,878)	(2,070,310)
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(7,360,093)	(15,669,547)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	9,336,596	25,006,143
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	\$ 1,976,503	\$ 9,336,596
Cash and cash equivalents	\$ 367,166	\$ 1,353,553
Restricted cash	1,609,337	7,983,043
Total cash, cash equivalents, and restricted cash	\$ 1,976,503	\$ 9,336,596
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest, net of amount capitalized of \$897,794 and \$339,688, respectively	\$ -	\$ -
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Increase in construction in progress due to increase in accounts payable	\$ 1,468,995	\$ 3,330,799
Increase in operating lease right-of-use asset and lease liability	\$ 495,230	\$ -

See accompanying notes to consolidated financial statements.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2023 and 2022

1. Organization and purpose

Council on the Environment, Inc. d/b/a GrowNYC (“GrowNYC”) is a New York nonprofit public benefit organization classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. GrowNYC empowers all New Yorkers to equitably access fresh, locally grown food and neighborhood green spaces, reduce waste and care for the environment. GrowNYC is supported primarily by government grants, contributions from foundations, individuals and corporations, Greenmarket participant rental fees and sales of wholesale fresh produce. GrowNYC is exempt from federal income tax as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

New York State Regional Food Hub LLC (“NYSRFH” or “Affiliate”) is a limited liability company. GrowNYC is the sole member of NYSRFH. NYSRFH was incorporated in October 2011 and started operations in fiscal year 2017. NYSRFH was formed for the purpose of building and operating a warehouse facility in the Bronx which will serve as a wholesale food distribution hub connecting small and mid-sized farms in New York State with food pantries, senior centers, daycares, hospitals, and other institutional buyers in New York City.

Food Hub QALICB, Inc. (“Food Hub QALICB” or “Affiliate”) is a special purpose entity established under the Internal Revenue Code Section 509(a)(3) as a supporting organization formed by GrowNYC to serve as the qualified active low-income community business (“QALICB”) in a complex transaction whereby QALICB is the recipient of loans derived from a qualified low-income community investment (“QLICI”). These QLICI loans are made in conjunction with an allocation of New Market Tax Credits to a third-party tax credit investor. Proceeds from the QLICI loans are used to pay costs incurred during construction of the New York State Regional Food Hub warehouse facility (“Food Hub”) in the Bronx.

The Organization achieves its mission through the following projects and programs:

**Food Access & Agriculture**, which operates 80 retail food access locations including Greenmarkets, Farmstands, and Fresh Food Box sites. These locations provide more than 200 small, regional producers with the opportunity to sell their fruits, vegetables, and other farm products to New Yorkers. All locations promote and accept SNAP and other nutrition incentives. The Farmer Assistance program provides technical and material assistance and training to experienced and beginning farmers to increase long-term viability.

**Wholesale**, which purchases fresh produce and other farm products from northeast regional farms and distributes to food pantries, senior centers, daycares, hospitals, and other institutional buyers. Under this not-for-profit model, farmers get a fair price for their product and program beneficiaries gain reliable access to affordable, nutrient-dense foods. Nearly 80% of the food distributed goes to nutritionally at-risk populations – the equivalent of 2.7 million pounds of food in 2023.

**Green Space**, which creates, rejuvenates, and provides substantial material and technical assistance to several new community gardens each year in addition to helping more than 100 gardens created in prior years; builds rainwater harvesting systems and promotes best practices in green infrastructure through workshops and collaborative installations; and operates a substantial teaching garden on Governors Island.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2023 and 2022

1. Organization and purpose (continued)

**Zero Waste**, which operates more than 50 food scrap drop-off sites throughout the city, coordinates textile collections, organizes Stop 'N' Swap® community reuse events, and provides outreach and education to all New Yorkers to increase participation in the city's zero waste programs and help conserve natural resources. Zero Waste drop-off sites collected 2.2 million pounds of food scraps in 2023.

**Education**, which connects K-12 public school students to the natural world with an eye towards environmental justice. Students learn sustainable behaviors that last a lifetime through the School Gardens program, Zero Waste Schools program, experiential field trips to the Teaching Garden at Governors Island, Greenmarket tours, and in-class curriculum. Additionally, professional development for teachers and easily accessible digital resources provide education for all ages. Young adults engage in summer workforce development internships, rotating through GrowNYC's programs to gain a deeper understanding of food systems and green careers.

**GrowNYC Partners**, which provides professional consulting services to bring food, farming, gardening, green infrastructure, recycling, and waste prevention projects to fruition on behalf of a diverse list of clients including businesses, individuals, foundations, and government agencies.

**Project Farmhouse**, which allows all New Yorkers to explore environmental issues through the lens of food, horticulture, arts, recycling, cooking, and community education. Located at 76 East 13th Street in Manhattan, Project Farmhouse is a state-of-the-art sustainability and education center, and a home for dynamic programming.

**COVID-19 Relief**, which, during the height of the global pandemic, distributed pre-packed boxes of fresh produce and dry goods to community organizations throughout the city, providing nourishment to communities severely impacted by COVID-19. More than 25 partner organizations helped to distribute 6.1 million pounds of food to New York's neediest populations. Additionally, information was disseminated to food insecure New Yorkers about SNAP/WIC enrollment, FMNP, P-EBT, and other food access initiatives, and policies & procedures were established to serve as a national model for safe operation of food access sites during a global pandemic. Relief efforts continued into 2023 as partner organizations with highest needs were transitioned into long-term food access sites.

**New York State Regional Food Hub**, which will establish a wholesale food distribution hub to serve small- to mid-sized farms in New York State through the construction of a warehouse facility in the Hunts Point section of the Bronx. The facility will include approximately 60,000 square feet of refrigerated/freezer and food processing space and will serve as a new home for the Organization's extant wholesale distribution program in addition to other tenants. The total estimated project cost is \$45 million including pre-construction soft costs, which commenced during fiscal year 2017. The formal ground-breaking occurred in March 2021. The facility is expected to begin operations in 2024.

**Food Hub QALICB**, a special purpose entity formed in support of the overall financing plan for construction of the New York State Regional Food Hub warehouse facility in the Bronx.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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2. Summary of significant accounting policies

Basis of presentation

The Organization prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. The Organization did not have any net assets maintained in perpetuity by the Organization as of June 30, 2023 and 2022.

Principles of consolidation

The consolidated financial statements have been prepared by consolidating the accounts of GrowNYC, NYSRFH, and Food Hub QALICB (collectively the “Organization”). Intercompany transactions and balances have been eliminated in the consolidation.

Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Economic concentration

The Organization’s operations are concentrated in New York, New York. Future operations could be affected by changes in the economy or other conditions in that geographical area.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of reserves. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor-imposed restrictions.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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2. Summary of significant accounting policies (continued)

Cash and cash equivalents (continued)

As of June 30, 2023 and 2022, the restricted cash balance was \$1,609,337 and \$7,983,043, respectively, and consists of the following:

**Accrued Farmers' Token Redemption** – As part of the Greenmarket Program, farmers collect tokens from consumers who have exchanged either SNAP benefit dollars or credit/debit as payment for produce. The Organization records a liability for tokens that have yet to be redeemed by the farmers. In connection with this liability, the Organization maintains the funds in a separate cash account. These funds are restricted to pay out tokens to farmers that have yet to be redeemed.

**Construction Disbursement** – As part of the QALICB, the amounts received were deposited into a special disbursement account to reimburse construction costs incurred by NYSRFH during Food Hub construction.

**CDE Fee and Expense Reserve** – As part of the QALICB, the amounts received were deposited into a special disbursement account to be used for fees and expenses for Food Hub QALICB.

Concentration of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk related to the banks in which the Organization holds its cash and cash equivalents.

Construction in progress

Construction in progress is comprised of the costs incurred in connection with construction of the Food Hub, which totaled \$41,308,344 and \$27,878,043 as of June 30, 2023 and 2022, respectively, and is included in property and equipment, net in the accompanying statement of financial position. The Food Hub is projected to be placed in service in 2024.

Accounts receivable

Receivables are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to receivables. As of June 30, 2023 and 2022, the balance of allowance for doubtful accounts was \$37,323 and \$37,450, respectively.

Government grants and contributions receivable

Government grants and contributions are recognized when the donor makes an unconditional promise to give. All government grants and contributions are considered to be available for general purposes unless specifically restricted by the donor. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Conditional promises are recognized as revenue when barriers specified by the grantor are overcome and there is no right of return/release from obligation. Unless material, the Organization does not discount to present value contributions to be received after more than one year. There were no amounts determined to be uncollectible for the years ended June 30, 2023 and 2022.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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2. Summary of significant accounting policies (continued)

Government grants and contributions receivable (continued)

Contributions receivable as of June 30, 2023 and 2022 are as follows:

	2023	2022
Due within one year	\$ 504,995	\$ 257,498
Due within two to five years	25,000	100,000
Total contributions receivable	\$ 529,995	\$ 357,498

All government grants receivable are due within one year.

Note receivable

The note receivable is stated at its unpaid principal balance, less an allowance for loan losses, as applicable. The allowance is increased by a provision for loan losses, which is charged to expense, and reduced by charge-offs, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on the Organization's past loan loss experience, known and other risks inherent in the portfolio, specific impaired loans, and adverse situations. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows on impaired loans, it is reasonably possible that a material change could occur in the allowance for loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

The Organization considers a loan impaired when based on current information or factors, it is probable that the Organization will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history and value of collateral. Loans that are contractually delinquent less than 90 days are generally not considered impaired, unless the borrower has claimed bankruptcy or the Organization has received specific information concerning the loan impairment. The Organization reviews delinquent loans to determine impaired accounts. The Organization measures impairment on a loan by-loan basis by either using the fair value of collateral or the present value of expected cash flows.

The Organization's key credit quality indicator is a loan's performance status, defined as accruing or non-accruing. Performing loans are considered to have a lower risk of loss, while nonaccrual loans are those which the Organization believes have a higher risk of loss. Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Loans may also be placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectible. There were no loans on nonaccrual status and still accruing interest as of June 30, 2023 and 2022.

A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. Loans may also resume accruing interest if management no longer believes a loan is impaired or the collection of principal and interest is no longer in doubt. As of June 30, 2023 and 2022, management believes that the Organization's note receivable is fully collectible, and as such, the allowance for the loan loss is zero.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Investments

Investments are reported at fair value based upon quoted market value or readily available pricing resources. Securities transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are determined on a specific identification basis and are included in investment activity in the consolidated statement of activities. Interest income is recognized when earned and dividends are recorded on the ex-dividend date.

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable value. The Organization capitalizes certain property and equipment with a useful life of more than one year and a cost of at least \$1,000. Office space is donated to the Organization by the City of New York for an indefinite time period. The Organization retains assets purchased with grantor restricted funds, unless the grantor requests that such equipment be returned. Purchases of property and equipment reimbursed by governmental funding sources, and for which the contractual agreement specifies that title to these assets rests with the governmental funding sources, are expensed. Costs incurred as part of construction of the New York State Regional Food Hub facility are capitalized as fixed assets under a separate ledger account for Construction In Progress (“CIP”). Depreciation and amortization of CIP will begin when the Food Hub is substantially complete and ready for intended use.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over their estimated useful lives. The useful lives of the assets are estimated as follows:

Building and improvements	5-40 years
Office furniture and equipment	5-10 years

Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized during the years ended June 30, 2023 and 2022.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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2. Summary of significant accounting policies (continued)

Revenue recognition

Government grants

Government grants and contracts are recognized as revenue when barriers within the contract are overcome and there is no right of return/release from obligation. Government grants receivable are recorded when expenses incurred under the terms of the grant exceed cash received. Advances received from government agencies in excess of expenditures incurred for a grant still in progress are reported as government grant advances. Conditional grants for future periods will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

Contributed facilities, services, and assets

The value of contributed facilities and services is reported as in-kind contributions and expenses in the accompanying statements of activities. Contributed facilities include office space donated by the City of New York and estimated fair value assessments of contributed facilities are performed every three years. Changes to the fair value in the interim years are not anticipated to be material to the financial statements. Contributed services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization records contributed services at their fair value on the date received. Contributed assets are recognized at fair value on the date of receipt.

Sales, fees, and advance payments

Revenues from Greenmarket participant (farmer/producer) rental fees are based on signed contracts, renewed annually. Sales revenue includes sales of regional fresh produce and grains through the Wholesale program, as well as the annual plant sale to community gardens through the Green Space program. Other fees include consulting services as well as rental of Project Farmhouse. There are also advance payments that include fees received in advance for the Greenmarket program applicable to the next fiscal year. Revenue is recognized as performance obligations are met.

Income tax status

GrowNYC and the QALICB are exempt from federal income taxes under Sections 501(c)(3) and 509(a)(3), respectively, of the Internal Revenue Code ("IRC"). However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. GrowNYC and QALICB are also exempt from state and local tax pursuant to state and local tax code. Additionally, NYSRFH is considered a disregarded entity for tax purposes.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program

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2. Summary of significant accounting policies (continued)

Functional allocation of expenses (continued)

or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Advertising costs

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 amounted to \$112,844 and \$114,091, respectively.

Grants and awards

Grants and awards are expensed in the year unconditionally awarded. Grants awarded, but unpaid at year-end are reported as grants payable in the consolidated statements of financial position.

Leases

The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses a risk-free rate at the lease commencement date in determining the present value of lease payments.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Change in accounting principle

In February 2016, FASB issued ASC 842, Leases (“FASB ASC 842”) to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted July 1, 2022, and any adjustment necessary was recognized through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022, are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for its existing ground lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under the new standard, (b) whether classification of a lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

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3. Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Financial assets available to meet general expenditures over the next 12 months were as follows:

Financial assets at year end	2023	2022
Cash and cash equivalents	\$ 367,166	\$ 1,383,553
Restricted cash	1,609,338	7,983,043
Investments, at fair value	3,467,968	3,314,052
Government grants receivable	27,120,249	26,103,047
Accounts receivable, net	1,031,107	1,131,945
Contributions receivable	529,995	357,498
Notes receivable	21,862,500	21,862,500
Total	55,988,323	62,135,638
Less: those unavailable within one year		
Restricted cash	(1,609,338)	(7,983,043)
Contributions receivable due one to five years	(25,000)	(100,000)
Notes receivable	(21,862,500)	(21,862,500)
Board-designated investment fund	(2,943,595)	(2,799,469)
Net assets with donor restrictions	(4,396,509)	(5,259,802)
Total	\$ 25,151,381	24,130,824

4. Note receivable

The Organization executed a loan agreement with a borrower on March 2, 2021 for \$21,862,500 in order to make equity investments in a qualified community development entity. The loan bears interest at the rate of 1.344634% per annum. Commencing June 10, 2021, quarterly payments of interest-only are due and payable through March 2, 2028. Commencing June 10, 2028, quarterly payments of principal and interest are due and payable in a fixed amount, as set forth in the promissory note, through the Maturity Date, March 1, 2050. At maturity, all unpaid principal and any accrued interest are due and payable in full to the Organization. As of June 30, 2023 and 2022, the total note receivable outstanding from the borrower was \$21,862,500.

The note is secured by collateral of the borrower as further described in the loan agreement.

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5. Investments

Investments consisted of the following as of June 30:

	2023	2022
Corporate stocks	\$ 1,471,711	\$ 1,396,368
Corporate bonds	1,391,317	1,222,526
Money market mutual funds	604,940	695,158
Total investments	\$ 3,467,968	\$ 3,314,052

Investment activity, net, included the following for the year ended June 30:

	2023	2022
Interest and dividends	\$ 116,552	\$ 121,065
Realized losses on investments	11,996	(6,529)
Unrealized gains (losses) on investments	226,041	(433,382)
Investment fees	(15,250)	(16,071)
Total investment activity, net	\$ 339,339	\$ (334,917)

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, “Fair Value Measurement,” provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available.

An asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

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5. Investments (continued)

All assets carried at fair value have been valued using a market approach. There were no changes in the valuation techniques during the current year. The Organization uses third-party pricing information without adjustment.

Following is a description of the valuation methodologies used for assets measured at fair value.

Corporate Stocks and Money Market Mutual Funds:

Valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

Corporate Stocks and Bonds:

Corporate bonds are designated as Level 2 instruments and valuations are obtained from readily-available pricing sources for comparable instruments (credit risk/grade, maturities, etc.).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's policy is to recognize transfers in and transfers out between fair value levels as of the beginning of the period in which the transfer takes place. During the years ended June 30, 2023 and 2022, no such transfers between fair value levels occurred.

The following table presents the Organization's assets that are measured at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy.

	June 30, 2023			
	Level 1	Level 2	Level 3	Fair Value Measurements
Corporate stocks/mutual funds	\$ 1,471,712	\$ -	\$ -	\$ 1,471,712
Money market mutual funds	604,939	-	-	604,939
Corporate bond	-	1,391,317	-	1,391,317
Total assets	\$ 2,076,651	\$ 1,391,317	\$ -	\$ 3,467,968

	June 30, 2022			
	Level 1	Level 2	Level 3	Fair Value Measurements
Corporate stocks/mutual funds	\$ 1,401,372	\$ -	\$ -	\$ 1,401,372
Money market mutual funds	690,154	-	-	690,154
Corporate bond	-	1,222,526	-	1,222,526
Total assets	\$ 2,091,526	\$ 1,222,526	\$ -	\$ 3,314,052

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6. Property and equipment

Fixed assets consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 328,825	\$ 328,825
Vehicles	291,004	212,391
Leasehold improvements	815,063	815,063
Construction in progress	<u>41,308,344</u>	<u>27,878,043</u>
Net book value	42,743,236	29,234,322
Less: accumulated depreciation and amortization	<u>(781,032)</u>	<u>(713,074)</u>
Net book value	<u>\$ 41,962,204</u>	<u>\$ 28,521,248</u>

For the years ended June 30, 2023 and 2022, depreciation expense was \$110,252 and \$147,424, respectively.

7. Notes payable and line of credit

Notes payable and a line of credit as of June 30, 2023 and 2022 consists of the following:

General Operating Line of Credit

On July 12, 2017, the Organization received an unsecured promissory note from an institution to refinance an existing line of credit. The Organization can borrow up to \$1,250,000. The Organization extended this line of credit to July 1, 2025 when all outstanding principal and interest will be due. The interest rate is the Prime Rate minus fifty (50) basis points. The balance of the loan was \$1,000,000 and \$0 as of June 30, 2023 and 2022, respectively.

Food Hub Source Loans

On March 2, 2021, the Organization executed a ground lease with the City of New York and simultaneously closed on multiple loans to finance construction of the Food Hub. At closing, NYSRFH received Source Loans totaling \$21,862,500 from a consortium of lenders. Repayment of the Source Loans is funded by reimbursement from State and City government grants awarded in support of the Food Hub construction. The Source Loans bear interest at either a variable rate of the Prime Rate minus fifty (50) basis points or a fixed rate of 6.50%. The aggregate balance of the loans was \$9,937,612 and \$18,062,489 as of June 30, 2023 and 2022, respectively. As of December 26, 2023, the Source Loans were fully paid off in advance of their January 1, 2024 maturity date.

Food Hub Building Loan

On March 21, 2023, NYSRFH executed a loan agreement (“Building Loan”) delivered under and pursuant to the terms of the above Source Loan Agreement with an available draw limit of \$15,513,200. The maturity date of Building Loan is August 1, 2024. The interest rate is the Prime Rate minus fifty (50) basis points. The balance of the loan was \$5,938,999 and \$0 as of June 30, 2023 and 2022, respectively. As of August 14, 2024, a final amendment to the Building Loan was being negotiated to extend the maturity date of the Building Loan.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
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7. Notes payable and line of credit (continued)

Food Hub QLICI Loans

On March 2, 2021, NYSRFH used the proceeds from the Source Loans to make a Leverage Loan for \$21,862,500 to the New Market Tax Credit Investment Fund (“Investment Fund”). The Investment Fund merged Leverage Loan proceeds with an outside equity investment to pay a \$30,000,000 Qualified Equity Investment (“QEI”) to the Community Development Entity (“CDE”) associated with the Food Hub project. After withholding fees, the CDE issued three QLICI loans totaling \$29,400,000 to the Food Hub QALICB. Each of the QLICI loans has a maturity date of March 1, 2051, and an interest rate of 1%. The Organization is required to make quarterly payments of interest only through May 1, 2028. Commencing June 1, 2028, payments of interest and principal are due quarterly through March 1, 2051. As of both June 30, 2023 and 2022 the balance of the loan was \$29,400,000.

Proceeds from the QLICI loans were used to pay closing costs, reimburse project-related costs incurred prior to closing, and deposited into a special disbursement account to reimburse future costs incurred by NYSRFH during Food Hub construction. The Leverage Loan and the QLICI loans are repaid on an interest-only basis for the initial seven years. The financing structure for Food Hub construction is such that Leverage Loan interest payments received by NYSRFH are sufficient to offset interest payments due on the QLICI loans. The Food Hub QALICB is required to remain active for a minimum period of seven years, after which there is an option that the remaining interest of the tax credit investor is acquired by GrowNYC and it is anticipated that GrowNYC would then be in control of the entities involved in the NMTC transaction and could collapse the QALICB financing structure.

Repayment of any outstanding debt at the end of the Food Hub construction would be funded by government grant reimbursements applicable to Food Hub construction, private donations restricted for this purpose, net operating income of the newly opened Food Hub, and unrestricted general operating funds of GrowNYC.

Interest expense on the General Operating Line of Credit was \$33,216 and \$0 for the years ended June 30, 2023 and 2022, respectively. Interest incurred on construction loans after March 2, 2021, have been capitalized into CIP. Amortization and expense recognition of CIP interest begins when the Food Hub facility is substantially complete and ready for intended use.

Future minimum principal maturities of the loans over each of the next five years and thereafter are as follows:

Year ending June 30:

2024	\$ 9,937,612
2025	6,938,999
2026	-
2027	-
2028	562,500
Thereafter	<u>28,837,500</u>
Total	<u>\$ 46,276,611</u>

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNVC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 June 30, 2023 and 2022

8. Leases

Ground lease

Pursuant to the Agreement of Lease dated March 2, 2021 (the “Ground Lease”) between NYSRFH and The City of New York (the “Landlord”), the Landlord has agreed to lease a parcel of land located in New York, New York to NYSRFH for the purpose of developing, constructing, and operating the wholesale food distribution hub. The term of the lease is 39 years, with the option to renew for one additional term of 9 years. The base rent of the site will commence September 1, 2023 and is in accordance with the schedule within the lease agreement. Additionally, the Ground Lease allows for rental deductions whereby the base rent is reduced due to the achievement of sales to low-income communities, as defined in the Ground Lease, originating in or upon any portion of leased property.

Approximate future minimum payments under this lease, if the base rent is not reduced as discussed above, for each of the fiscal years subsequent to June 30, 2023 and thereafter, are as follows:

2024	\$	500,000
2025		500,000
2026		500,000
2027		500,000
2028		500,000
Thereafter		<u>24,950,362</u>
Total		<u>\$ 27,450,362</u>

Operating lease

Pursuant to a Sublease Agreement dated September 30, 2020 (the “Sublease”), GrowNYC was the Subtenant of a warehouse building located in the Bronx for the purpose of food storage and distribution in connection with the Wholesale program. The base rent of the site commenced October 1, 2020 and is in accordance with the schedule within the Sublease.

As of June 30, 2023, the Sublessor leased the warehouse building pursuant to an Operating Lease. On January 1, 2024, the Sublessor assigned its interest in the Operating Lease to GrowNYC (the “Assignment”), and the maturity date of the lease was extended to October 31, 2024.

The balance for the Sublease and related Assignment is presented as follows on the consolidated statement of financial position as of June 30, 2023:

Operating lease:

Operating lease right-of-use asset	\$	<u>235,139</u>
Operating lease liability		<u>\$ 247,980</u>

Lease expense for the Sublease on the consolidated statement of functional expenses for the year ended June 30, 2023 consists of the following:

Operating lease expense:

Operating lease expense:	\$	<u>179,916</u>
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The weighted-average remaining lease term for this lease including the extension and renewal approximated 16 months and the weighted-average discount rate approximated 2.84% as of June 30, 2023.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

8. Leases (continued)

Operating lease (continued)

Neither the Sublease nor the Assignment provided an implicit rate of return and the Organization used its risk-free rate based on information available at the commencement date in determining the present value of lease payments.

As of June 30, 2023, the maturities of operating lease liabilities are summarized as follows:

2024		\$	176,060
2025			<u>76,668</u>
	Total minimum lease payments		252,728
	Less: interest		<u>(4,748)</u>
	Present value of lease obligations	\$	<u>247,980</u>

Space and equipment rental

The Organization pays license and permit fees for use of City property in the operation of Greenmarkets and Farmstands.

Space rental expense amounted to \$528,658 and \$661,324 for the years ended June 30, 2023 and 2022, respectively.

Equipment lease and rentals expense amounted to \$289,220 and \$282,380 for the years ended June 30, 2023 and 2022, respectively.

9. Net assets with donor restrictions

Net assets with donor restrictions were available for the following purposes as of June 30:

	2023	2022
Purpose restriction		
Food Access and Agriculture	\$ 933,116	\$ 1,327,765
Wholesale	53,528	165,000
Green Space	1,338,534	939,869
Zero Waste	32,465	12,415
Education	563,866	640,010
COVID-19 Relief	-	600,000
NYS Regional Food Hub LLC	1,150,000	1,150,000
Supporting services	50,000	-
Time restriction:		
For periods after June 30, 2023 and 2022	275,000	350,000
Purpose and time restriction:		
Wholesale	-	31,248
Green Space	-	8,255
Zero Waste	-	<u>35,240</u>
	<u>\$ 4,396,509</u>	<u>\$ 5,259,802</u>

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

9. Net assets with donor restrictions (continued)

Net assets with donor restrictions were released by incurring expenses satisfying the restricted purposes specified by the donors or the passage of time during the years ended June 30, as follows:

	2023	2022
Food Access and Agriculture	\$ 1,345,292	\$ 1,297,712
Wholesale	1,097,399	924,828
Green Space	1,263,963	900,873
Zero Waste	2,596,777	2,149,812
Education	2,895,762	1,381,378
Project Farmhouse	-	2,500
COVID-19 Relief	600,000	2,152,668
NYS Regional Food Hub LLC	8,605,231	17,962,799
Supporting services	472,841	2,148,726
	\$ 18,877,265	\$ 28,921,296

10. Board designated funds

The Organization had no donor-restricted permanent endowment funds subject to the appropriation provisions of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as of June 30, 2023 and 2022. The Organization maintains a Board designated investment fund and a Board designated operating reserve fund. However, such Board designated endowment funds are not subject to the appropriate disclosure provisions of NYPMIFA.

The Organization’s investment policy is to invest primarily in a mix of equities, fixed income securities and money market mutual funds based on an asset allocation to satisfy its overall financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long term growth. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

10. Board designated funds (continued)

Changes in endowment net assets for the year ended June 30 2023, were as follows:

	Board Designated Investment Fund	Board Designated Operating Reserve Fund	Total
Board designated net assets, beginning of year	\$2,799,469	\$500,299	\$3,299,768
Investment activity:			
Interest and dividends	103,828	9,287	113,115
Realized gains(losses)	11,996	-	11,996
Unrealized gains(losses)	225,390	-	225,390
Fees and other expenses	(15,250)	-	(15,250)
Transfer to operations	(181,838)	-	(181,838)
Change in board designated net assets	144,126	9,287	153,413
Board designated net assets, end of year	\$2,943,595	\$509,586	\$3,453,181

Changes in endowment net assets for the year ended June 30, 2022, were as follows:

	Board Designated Investment Fund	Board Designated Operating Reserve Fund	Total
Board designated net assets, beginning of year	\$3,135,395	\$500,000	\$3,635,395
Investment activity:			
Interest and dividends	118,838	299	119,137
Realized gains(losses)	(6,528)	-	(6,528)
Unrealized gains(losses)	(436,320)	-	(436,320)
Fees and other expenses	(16,071)	-	(16,071)
Prior period adjustments	4,155	-	4,155
Change in board designated net assets	(335,926)	299	(335,627)
Board designated net assets, end of year	\$2,799,469	\$500,299	\$3,299,768

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 June 30, 2023 and 2022

11. Contributed facilities, services, and assets

The Organization uses certain buildings owned by the City of New York without charge. The estimated fair rental value of the premises is reported as both revenue and expense in the period in which the premises are used. Contributed facilities amounted to \$672,595 for each of the years ended June 30, 2023 and 2022. During the years ended June 30, 2023 and 2022, the Organization also received pro bono legal services in the amount of \$219,021 and \$89,702, respectively, and this amount was also reported as both revenue and expense.

12. Retirement plan

The Organization maintains a profit-sharing plan with discretionary contributions paid to eligible employees who meet minimum age and length of service requirements. For the years ended June 30, 2023 and 2022, employer contributions amounted to \$297,690 (net of plan forfeitures of \$34,306) and \$278,262 (net of plan forfeitures of \$13,730), respectively. Participants in the plan are vested as follows:

<u>Years of Service</u>	<u>Percentage</u>
2	20%
3	40%
4	60%
5	80%
6	100%

13. Commitments and contingencies

Contingencies for Future Audits by Governmental Funding Sources

Pursuant to the Organization's contractual relationships with certain governmental funding sources, governmental agencies have the right to examine the Organization's books and records involving transactions relating to these contracts. The accompanying consolidated financial statements make no provision for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

Contingency for Retail, Wholesale and Department Store Union

On April 25, 2023, GrowNYC management was presented with a letter asking for employees in certain programs within GrowNYC to be represented by the Retail, Wholesale and Department Store Union (RWDSU). On May 16, 2023, an independent arbiter counted votes from union-eligible staff and determined that a majority of eligible employees had voted to join the union. Upon vote certification, GrowNYC recognized RWDSU as the legal representative of those eligible employees. As of August 14, 2024, the collective bargaining process is ongoing.

14. Subsequent events

Subsequent events have been evaluated through August 14, 2024, which is the date the consolidated financial statements were available to be issued, and there were no subsequent events requiring disclosure except as follows:

On December 26, 2023, GrowNYC paid off the NYS Source Loans totaling \$9,937,612 which were previously due January 1, 2024, with funds from various reimbursements received.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWN NYC AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

14. Subsequent events (continued)

Two major City contracts totaling approximately \$5 million expired on June 30, 2024. Non-renewal of these contracts by the City resulted in closure of GrowNYC's Zero Waste Programs (food scrap collection, Stop 'N' Swap) and Zero Waste Schools educational programming, and caused the elimination of more than 90 staff roles.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
As of June 30, 2023 and 2022

	As of June 30, 2023					As of June 30, 2022				
	GrowNYC	New York State Regional Food Hub LLC	Food Hub QALICB, Inc.	Consolidating Eliminations	Consolidated	GrowNYC	New York State Regional Food Hub LLC	Food Hub QALICB, Inc.	Consolidating Eliminations	Consolidated
<b>ASSETS</b>										
Cash and cash equivalents, unrestricted	\$ 281,305	\$ 85,861	\$ -	\$ -	\$ 367,166	\$ 1,266,627	\$ 84,360	\$ 2,566	\$ -	\$ 1,353,553
Restricted cash: token redemption	830,827	-	-	-	830,827	698,498	-	-	-	698,498
Restricted cash: construction disbursement	-	-	-	-	-	-	-	6,328,982	-	6,328,982
Restricted cash: construction-related reserve	-	-	778,510	-	778,510	-	-	955,563	-	955,563
Investments, at fair value	3,467,968	-	-	-	3,467,968	3,314,052	-	-	-	3,314,052
Government grants receivable	6,165,594	20,954,655	-	-	27,120,249	5,112,592	20,990,455	-	-	26,103,047
Accounts receivable - participant rental fees, net	332,087	-	-	-	332,087	223,428	-	-	-	223,428
Accounts receivable - sales, net	648,755	-	-	-	648,755	469,855	-	-	-	469,855
Accounts receivable - other fees, net	50,265	-	-	-	50,265	438,662	-	-	-	438,662
Contributions receivable	529,995	-	-	-	529,995	357,498	-	-	-	357,498
Prepaid expenses, deposits and other assets	579,832	24,795	-	-	604,627	532,444	24,795	-	-	557,239
Note receivable: NMTC Investment Fund	-	21,862,500	-	-	21,862,500	-	21,862,500	-	-	21,862,500
Due from NYSRFH	2,448,332	-	-	(2,448,332)	-	1,888,770	-	(1,888,770)	-	-
Due from QALICB	-	12,680,895	-	(12,680,895)	-	-	5,762,588	-	(5,762,588)	-
Operating lease right-of-use asset	235,139	-	-	-	235,139	-	-	-	-	-
Property and equipment, net	653,860	-	41,308,344	-	41,962,204	643,205	-	27,878,043	-	28,521,248
<b>TOTAL ASSETS</b>	<b>\$ 16,223,959</b>	<b>\$ 55,608,706</b>	<b>\$ 42,086,854</b>	<b>\$ (15,129,227)</b>	<b>\$ 98,790,292</b>	<b>\$ 14,945,631</b>	<b>\$ 48,724,698</b>	<b>\$ 35,165,154</b>	<b>\$ (7,651,358)</b>	<b>\$ 91,184,125</b>
<b>LIABILITIES</b>										
Accounts payable and accrued expenses	\$ 2,549,905	\$ 5,170,015	\$ -	\$ -	\$ 7,719,920	\$ 1,887,821	\$ 5,457,671	\$ -	\$ -	\$ 7,345,492
Accrued farmers' token redemption	830,827	-	-	-	830,827	698,498	-	-	-	698,498
Due to GrowNYC	-	2,448,332	-	(2,448,332)	-	-	1,888,770	-	(1,888,770)	-
Due to NYSRFH	-	-	12,680,895	(12,680,895)	-	-	-	5,762,588	(5,762,588)	-
Advance payments	357,840	-	-	-	357,840	216,168	-	-	-	216,168
Government grant advances	10,000	-	-	-	10,000	298,583	-	-	-	298,583
Operating lease right-of-use liability	247,980	-	-	-	247,980	-	-	-	-	-
Note payable: construction	-	15,876,611	-	-	15,876,611	-	18,062,489	-	-	18,062,489
Note payable: QLICI loans	-	-	29,400,000	-	29,400,000	-	-	29,400,000	-	29,400,000
Note payable: general line of credit	1,000,000	-	-	-	1,000,000	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>4,996,552</b>	<b>23,494,958</b>	<b>42,080,895</b>	<b>(15,129,227)</b>	<b>55,443,178</b>	<b>3,101,070</b>	<b>25,408,930</b>	<b>35,162,588</b>	<b>(7,651,358)</b>	<b>56,021,230</b>
<b>COMMITMENTS AND CONTINGENCIES</b>										
<b>NET ASSETS</b>										
Without donor restrictions:										
Operations	3,873,856	29,875,260	(40,213,898)	-	(6,464,782)	3,791,786	20,791,409	(26,501,118)	-	(1,917,923)
Net investment in property and equipment	653,861	1,088,488	40,219,857	-	41,962,206	643,205	1,374,359	26,503,684	-	28,521,248
Board designated investment fund	2,943,595	-	-	-	2,943,595	2,799,469	-	-	-	2,799,469
Board designated operating reserve fund	509,586	-	-	-	509,586	500,299	-	-	-	500,299
Total without donor restrictions	7,980,898	30,963,748	5,959	-	38,950,605	7,734,759	22,165,768	2,566	-	29,903,093
With donor restrictions	3,246,509	1,150,000	-	-	4,396,509	4,109,802	1,150,000	-	-	5,259,802
<b>TOTAL NET ASSETS</b>	<b>11,227,407</b>	<b>32,113,748</b>	<b>5,959</b>	<b>-</b>	<b>43,347,114</b>	<b>11,844,561</b>	<b>23,315,768</b>	<b>2,566</b>	<b>-</b>	<b>35,162,895</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,223,959</b>	<b>\$ 55,608,706</b>	<b>\$ 42,086,854</b>	<b>\$ (15,129,227)</b>	<b>\$ 98,790,292</b>	<b>\$ 14,945,631</b>	<b>\$ 48,724,698</b>	<b>\$ 35,165,154</b>	<b>\$ (7,651,358)</b>	<b>\$ 91,184,125</b>

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023

	GrowNYC			New York State Regional Food Hub LLC			Food Hub QALICB, Inc.			Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND SUPPORT:</b>										
Government grants	\$ -	\$ 7,046,663	\$ 7,046,663	\$ -	\$ 8,605,231	\$ 8,605,231	\$ -	\$ -	\$ -	\$ 15,651,894
Contributions - foundations	349,275	1,140,476	1,489,751	-	-	-	-	-	-	1,489,751
Contributions - individuals and corporations	972,099	1,221,602	2,193,701	-	-	-	-	-	-	2,193,701
Contributed facilities, services and assets	891,616	-	891,616	-	-	-	-	-	-	891,616
Greenmarket participant rental fees	4,810,271	-	4,810,271	-	-	-	-	-	-	4,810,271
Sales of wholesale produce, plants & grains	5,081,755	-	5,081,755	-	-	-	-	-	-	5,081,755
Other fees	457,960	-	457,960	-	-	-	-	-	-	457,960
Investment activity	335,946	-	335,946	-	-	-	3,393	-	3,393	339,339
Miscellaneous	196,356	-	196,356	293,970	-	293,970	-	-	-	490,326
Net assets released from restriction	10,272,034	(10,272,034)	-	8,605,231	(8,605,231)	-	-	-	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>23,367,312</b>	<b>(863,293)</b>	<b>22,504,019</b>	<b>8,899,201</b>	<b>-</b>	<b>8,899,201</b>	<b>3,393</b>	<b>-</b>	<b>3,393</b>	<b>31,406,613</b>
<b>EXPENSES:</b>										
Program Services:										
Food access and agriculture	5,978,123	-	5,978,123	-	-	-	-	-	-	5,978,123
Wholesale	5,914,106	-	5,914,106	-	-	-	-	-	-	5,914,106
Green Space	1,154,116	-	1,154,116	-	-	-	-	-	-	1,154,116
Zero Waste	2,406,509	-	2,406,509	-	-	-	-	-	-	2,406,509
Education	2,662,895	-	2,662,895	-	-	-	-	-	-	2,662,895
GrowNYC Partners	39,265	-	39,265	-	-	-	-	-	-	39,265
Project Farmhouse	136,179	-	136,179	-	-	-	-	-	-	136,179
New York State Regional Food Hub LLC	-	-	-	101,221	-	101,221	-	-	-	101,221
Total Program Services	18,291,193	-	18,291,193	101,221	-	101,221	-	-	-	18,392,414
Supporting Services:										
Management and general	3,341,324	-	3,341,324	-	-	-	-	-	-	3,341,324
Fundraising	1,488,656	-	1,488,656	-	-	-	-	-	-	1,488,656
Total Supporting Services	4,829,980	-	4,829,980	-	-	-	-	-	-	4,829,980
<b>TOTAL EXPENSES</b>	<b>23,121,173</b>	<b>-</b>	<b>23,121,173</b>	<b>101,221</b>	<b>-</b>	<b>101,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,222,394</b>
<b>CHANGE IN NET ASSETS</b>	<b>246,139</b>	<b>(863,293)</b>	<b>(617,154)</b>	<b>8,797,980</b>	<b>-</b>	<b>8,797,980</b>	<b>3,393</b>	<b>-</b>	<b>3,393</b>	<b>8,184,219</b>
TOTAL NET ASSETS - BEGINNING OF YEAR	\$ 7,734,758	\$ 4,109,803	\$ 11,844,561	\$ 22,165,768	\$ 1,150,000	\$ 23,315,768	\$ 2,566	\$ -	\$ 2,566	\$ 35,162,895
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,980,897</b>	<b>\$ 3,246,510</b>	<b>\$ 11,227,407</b>	<b>\$ 30,963,748</b>	<b>\$ 1,150,000</b>	<b>\$ 32,113,748</b>	<b>\$ 5,959</b>	<b>\$ -</b>	<b>\$ 5,959</b>	<b>\$ 43,347,114</b>

See Report of Independent Auditors.

**COUNCIL ON THE ENVIRONMENT, INC. D/B/A GROWNYC AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2022

	GrowNYC			New York State Regional Food Hub LLC			Food Hub QALICB, Inc.			Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND SUPPORT:</b>										
Government grants	\$ -	\$ 8,896,169	\$ 8,896,169	\$ -	\$ 17,962,800	\$ 17,962,800	\$ -	\$ -	\$ -	\$ 26,858,969
Contributions - foundations	585,021	1,618,703	2,203,724	-	-	-	-	-	-	2,203,724
Contributions - individuals and corporations	754,377	795,334	1,549,711	-	-	-	-	-	-	1,549,711
Contributed facilities, services and assets	762,297	-	762,297	-	-	-	-	-	-	762,297
Greenmarket participant rental fees	4,619,993	-	4,619,993	-	-	-	-	-	-	4,619,993
Sales of wholesale produce, plants & grains	4,723,823	-	4,723,823	-	-	-	-	-	-	4,723,823
Other fees	381,122	-	381,122	-	-	-	-	-	-	381,122
Investment activity	(336,532)	-	(336,532)	-	-	-	1,615	-	1,615	(334,917)
Miscellaneous	214,209	-	214,209	294,348	-	294,348	-	-	-	508,557
Net assets released from restriction	10,958,497	(10,958,497)	-	17,962,800	(17,962,800)	-	-	-	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>22,662,807</b>	<b>351,709</b>	<b>23,014,516</b>	<b>18,257,148</b>	<b>-</b>	<b>18,257,148</b>	<b>1,615</b>	<b>-</b>	<b>1,615</b>	<b>41,273,279</b>
<b>EXPENSES:</b>										
Program Services:										
Food access and agriculture	5,745,144	-	5,745,144	-	-	-	-	-	-	5,745,144
Wholesale	5,671,968	-	5,671,968	-	-	-	-	-	-	5,671,968
Green Space	960,499	-	960,499	-	-	-	-	-	-	960,499
Zero Waste	2,065,844	-	2,065,844	-	-	-	-	-	-	2,065,844
Education	1,295,400	-	1,295,400	-	-	-	-	-	-	1,295,400
GrowNYC Partners	32,770	-	32,770	-	-	-	-	-	-	32,770
Project Farmhouse	201,080	-	201,080	-	-	-	-	-	-	201,080
COVID-19 Relief	1,724,656	-	1,724,656	-	-	-	-	-	-	1,724,656
New York State Regional Food Hub LLC	-	-	-	115,390	-	115,390	-	-	-	115,390
Total Program Services	17,697,361	-	17,697,361	115,390	-	115,390	-	-	-	17,812,751
Supporting Services:										
Management and general	2,360,209	-	2,360,209	-	-	-	-	-	-	2,360,209
Fundraising	1,105,746	-	1,105,746	-	-	-	-	-	-	1,105,746
Total Supporting Services	3,465,955	-	3,465,955	-	-	-	-	-	-	3,465,955
<b>TOTAL EXPENSES</b>	<b>21,163,316</b>	<b>-</b>	<b>21,163,316</b>	<b>115,390</b>	<b>-</b>	<b>115,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,278,706</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,499,491</b>	<b>351,709</b>	<b>1,851,200</b>	<b>18,141,758</b>	<b>-</b>	<b>18,141,758</b>	<b>1,615</b>	<b>-</b>	<b>1,615</b>	<b>19,994,573</b>
TOTAL NET ASSETS - BEGINNING OF YEAR	\$ 6,235,267	\$ 3,758,094	\$ 9,993,361	\$ 4,024,010	\$ 1,150,000	\$ 5,174,010	\$ 951	\$ -	\$ 951	\$ 15,168,322
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,734,758</b>	<b>\$ 4,109,803</b>	<b>\$ 11,844,561</b>	<b>\$ 22,165,768</b>	<b>\$ 1,150,000</b>	<b>\$ 23,315,768</b>	<b>\$ 2,566</b>	<b>\$ -</b>	<b>\$ 2,566</b>	<b>\$ 35,162,895</b>

See Report of Independent Auditors.