

**NEW CITY NEIGHBORS
(A NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021



DOLINKA, VANNOORD & COMPANY

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
New City Neighbors
Grand Rapids, Michigan

We have reviewed the accompanying financial statements of New City Neighbors, which are comprised of the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of New City Neighbors and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,
DOLINKA, VANNOORD & COMPANY, P.L.L.P.

A handwritten signature in cursive script that reads 'Dolinka, VanNoord & Co., PLLP'.

Certified Public Accountants

November 14, 2023

**NEW CITY NEIGHBORS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
CURRENT ASSETS		
Cash:		
Checking Accounts	\$ 86,897	\$ 95,299
Savings Accounts	8,494	39,068
Grants Receivable - Current Portion	88,750	160,000
Security Deposit	2,000	-
TOTAL CURRENT ASSETS	\$ 186,141	\$ 294,367
OTHER ASSETS		
Grants Receivable - Net of Current Portion Above	\$ -	\$ 62,500
PROPERTY AND EQUIPMENT - at Cost		
Land	\$ 100,000	\$ 100,000
Buildings	433,243	373,516
Furniture and Equipment	54,648	29,682
Vehicles	26,054	26,054
Totals	\$ 613,945	\$ 529,252
Less: Accumulated Depreciation	(37,210)	(19,880)
NET PROPERTY AND EQUIPMENT	\$ 576,735	\$ 509,372
TOTAL ASSETS	\$ 762,876	\$ 866,239

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts Payable	\$ 8,472	\$ 436
Accrued Wages	9,096	4,075
Current Portion of Long-Term Debt	5,871	5,332
TOTAL CURRENT LIABILITIES	\$ 23,439	\$ 9,843
 NON-CURRENT LIABILITIES		
Long-Term Debt - Net of Current Portion	\$ 143,925	\$ 149,715
TOTAL LIABILITIES	\$ 167,364	\$ 159,558
 NET ASSETS		
Net Assets Without Donor Restrictions	\$ 457,762	\$ 464,181
Net Assets With Donor Restrictions	137,750	242,500
TOTAL NET ASSETS	\$ 595,512	\$ 706,681
TOTAL LIABILITIES AND NET ASSETS	\$ 762,876	\$ 866,239

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions:						
Individuals and Organizations	\$ 103,033	\$ 119,510	\$ 222,543	\$ 150,161	\$ 340,000	\$ 490,161
Government Grants	25,000	-	25,000	-	-	-
Program Revenue	160,775	-	160,775	119,620	-	119,620
Fundraising Events (Net of \$4,490 and \$3,174 direct expenses for the years ended December 31, 2022 and 2021, respectively)	(2,759)	-	(2,759)	286	-	286
Interest Income	26	-	26	26	-	26
Net Assets Released from Restriction	224,260	(224,260)	-	268,946	(268,946)	-
TOTAL REVENUE AND SUPPORT	\$ 510,335	\$ (104,750)	\$ 405,585	\$ 539,039	\$ 71,054	\$ 610,093
EXPENSES						
Program Services:						
Community Development	\$ 61,826	\$ -	\$ 61,826	\$ 64,698	\$ -	\$ 64,698
New City Café	79,580	-	79,580	2,923	-	2,923
New City Farm	218,422	-	218,422	181,617	-	181,617
Supporting Services:						
General and Administrative	84,786	-	84,786	64,224	-	64,224
Fundraising	72,140	-	72,140	45,365	-	45,365
TOTAL EXPENSES	\$ 516,754	\$ -	\$ 516,754	\$ 358,827	\$ -	\$ 358,827
CHANGES IN NET ASSETS	\$ (6,419)	\$ (104,750)	\$ (111,169)	\$ 180,212	\$ 71,054	\$ 251,266
NET ASSETS AT BEGINNING OF YEAR	464,181	242,500	706,681	283,969	171,446	455,415
NET ASSETS AT END OF YEAR	\$ 457,762	\$ 137,750	\$ 595,512	\$ 464,181	\$ 242,500	\$ 706,681

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR 2021**

	Program Services				Supporting Services		2022 Total	2021 Total
	Community Development	New City Café	New City Farm	Total Programs	General and Administrative	Development		
Depreciation	\$ 8,665	\$ -	\$ 8,665	\$ 17,330	\$ -	\$ -	\$ 17,330	\$ 11,177
Advertising	-	-	-	-	-	590	590	2,919
Auto Expenses	-	485	4,440	4,925	-	-	4,925	2,172
Interest Expense	2,154	2,154	2,154	6,462	719	-	7,181	7,319
Activity Fees and Supplies	419	12,517	38,300	51,236	5,539	918	57,693	27,643
Insurance	1,469	5,882	12,498	19,849	2,205	-	22,054	20,855
Miscellaneous	8	1,093	8	1,109	3,977	-	5,086	3,778
Office Expenses	808	2,425	2,425	5,658	1,674	1,212	8,544	6,143
Salaries and Wages	41,668	49,668	130,734	222,070	48,291	56,369	326,730	224,355
Payroll Taxes	3,183	3,794	9,986	16,963	3,724	4,306	24,993	17,729
Board and Staff Development	1,950	554	-	2,504	3,427	-	5,931	8,730
Professional Fees	1,250	-	4,820	6,070	12,262	4,494	22,826	13,410
Hospitality	-	-	-	-	-	225	225	307
Rent	-	-	2,250	2,250	-	-	2,250	9,480
Auction Expenses	-	-	-	-	-	4,490	4,490	3,174
Telephone	-	-	-	-	2,589	-	2,589	1,549
Utilities	252	1,008	2,142	3,402	379	-	3,781	1,261
Printing Fees	-	-	-	-	-	4,026	4,026	-
TOTAL EXPENSES	\$ 61,826	\$ 79,580	\$ 218,422	\$ 359,828	\$ 84,786	\$ 76,630	\$ 521,244	\$ 362,001
Less: Special Event Expenses Netted with Revenue	-	-	-	-	-	(4,490)	(4,490)	(3,174)
TOTAL EXPENSES ON STATEMENT OF ACTIVITIES	\$ 61,826	\$ 79,580	\$ 218,422	\$ 359,828	\$ 84,786	\$ 72,140	\$ 516,754	\$ 358,827

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services				Supporting Services		Total
	Community Development	New City Café	New City Farm	Total Programs	General and Administrative	Development	
Depreciation	\$ 5,588	\$ -	\$ 5,589	\$ 11,177	\$ -	\$ -	\$ 11,177
Advertising	-	-	-	-	-	2,919	2,919
Auto Expenses	778	-	926	1,704	468	-	2,172
Interest Expense	3,365	-	3,365	6,730	589	-	7,319
				-			
Activity Fees and Supplies	4,976	1,975	20,186	27,137	506	-	27,643
Insurance	6,500	-	-	6,500	14,355	-	20,855
Miscellaneous	67	-	3,067	3,134	85	559	3,778
Office Expenses	173	-	173	346	5,313	484	6,143
				-			
Salaries and Wages	28,682	-	129,843	158,525	28,441	37,389	224,355
Payroll Taxes	2,266	-	10,260	12,526	2,249	2,954	17,729
Board and Staff Development	5,609	-	2,728	8,337	351	42	8,730
Professional Fees	50	-	4,050	4,100	9,310	-	13,410
Hospitality	-	-	-	-	-	307	307
				-			
Rent	6,162	948	948	8,058	711	711	9,480
Auction Expense	-	-	-	-	-	3,174	3,174
Telephone	-	-	-	-	1,549	-	1,549
Utilities	482	-	482	964	297	-	1,261
TOTAL EXPENSES	\$ 64,698	\$ 2,923	\$ 181,617	\$ 249,238	\$ 64,224	\$ 48,539	\$ 362,001
Less: Special Event Expenses							
Netted with Revenues	-	-	-	-	-	(3,174)	(3,174)
TOTAL EXPENSES ON STATEMENT OF ACTIVITIES	\$ 64,698	\$ 2,923	\$ 181,617	\$ 249,238	\$ 64,224	\$ 45,365	\$ 358,827

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions and Program Revenue	\$ 541,799	\$ 525,566
Cash Received from Interest	26	26
Cash Paid to Suppliers and Employees	(490,857)	(346,212)
NET CASH FROM OPERATING ACTIVITIES	\$ 50,968	\$ 179,380
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Purchases of Property and Equipment	\$ (84,693)	\$ (215,389)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Paid for Long-Term Debt	\$ (5,251)	\$ (4,953)
 NET INCREASE (DECREASE) IN CASH	\$ (38,976)	\$ (40,962)
 CASH - BEGINNING OF THE YEAR	134,367	175,329
 CASH - END OF THE YEAR	\$ 95,391	\$ 134,367

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

NEW CITY NEIGHBORS
STATEMENT OF CASH FLOWS – Continued
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CHANGE IN NET ASSETS	\$ (111,169)	\$ 251,266
ADJUSTMENTS		
Depreciation Expense	17,330	11,177
CHANGES IN ASSETS AND LIABILITIES		
(Increase) Decrease in:		
Grants Receivable	133,750	(87,675)
Prepaid Expense	-	9,480
Security Deposit	(2,000)	-
Increase (Decrease) in:		
Accounts Payable	8,036	(3,892)
Accrued Wages	5,021	(976)
NET CASH FROM OPERATING ACTIVITIES	\$ 50,968	\$ 179,380

The accompanying notes are an integral part of these financial statements.
See independent accountants' review report.

**NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The New City Neighbors is a not-for-profit organization incorporated in Grand Rapids, Michigan. Its stated purpose is to develop a faith based community in the Creston neighborhood of Grand Rapids that empowers 1st-12th grade youth to reach their full potential through holistic programs and long-term opportunities. Programs offered include the following:

New City Farm - New City Farm provides youth employment while increasing access to healthy produce. High school youth employees plant, weed, harvest, market and sell the vegetables and fruit that they grow. These youth employees also participate in weekly field trips and curriculum sessions that cover topics like community development, personal finances and job skills.

New City Café – New City Cafe hires youth employees to run a weekly farm-to-table pop-up restaurant. The Café sells youth-made soups, salads, wood-fired pizzas and baked goods using produce grown on our farm in order to teach job readiness skills and healthy eating skills.

New City Community Development – New City Community Development is a variety of education and community building events that are offered to the surrounding neighborhood. These events include gardening and cooking classes for K-12 youth, panel discussions and block parties. These events are led by the Neighborhood Engagement Coordinator in conjunction with a team of our high school youth employees.

Basis of Accounting

The Organization has adopted the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

The Organization places its temporary cash investments with a financial institution. At times, cash may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Grants Receivable

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through the provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through the valuation allowance and a credit to the applicable receivable. The Organization did not have any bad debts for both years ended December 31, 2022 and 2021. No allowance was recorded at either December 31, 2022 or 2021, since management believes all remaining account balances are collectible.

Property, Equipment and Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$1,000. Expenditures for repairs and maintenance that do not extend past the useful lives of capital assets are expensed.

See independent accountants' review report.

NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property, Equipment and Depreciation - Continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Depreciation expense amounted to \$17,330 and \$11,177 for the years ended December 31, 2022 and 2021, respectively.

Net Assets

The financial statements of New City Neighbors have been prepared in accordance with U.S. generally accepted accounting principles, which require New City Neighbors 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 New City Neighbors’ 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; those restrictions will be met by actions of New City Neighbors or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 statement of activities.

Contributions and Other Support

Contributions are recorded as income when an unconditional promise to give has been received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. Contributions are available for unrestricted use unless specifically restricted by the donor. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue Recognition

The following represents the Organization’s major revenue streams, which represent the disaggregation of the Organization’s revenues to transactions that are similar in nature, amount, timing, uncertainties, and economic factors.

Farm CSA Sales – Revenue from farm CSA sales is recognized over the course of the season. Shares are purchased for the entire year or for an individual season (spring, summer and fall). Payments are collected at the beginning of the season that is purchased. No funds are collected in the previous reporting period for the current year and there are no seasons that extend past the calendar year end.

Farm Market and Wholesale – Revenue from the farm market and wholesale is recognized at a point in time. Goods are purchased for a set price and there are no ongoing contracts for these sales.

Café Sales – Revenue from Café sales is recognized at a point in time when the goods are purchased.

See independent accountants’ review report.

**NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Conditional Grants – Revenue from grants is recognized as exchange transactions or conditional contributions based on an evaluation of whether the grantor is receiving commensurate value in return for the grants provided to the Organization. Grant revenue is recognized over the period of performance as related expenses are incurred. Grant payments received in advance of incurring related expenses are recorded as deferred revenue and included in current liabilities.

All revenue obtained from any of the Organization’s revenue sources listed above would be recognized in less than a year. Therefore, the Organization has also elected a practical expedient outlined in FASB Subtopic 340-40 allowing for all incremental contract costs to be expensed as incurred.

Donated Goods and Services

Many individuals selflessly volunteer their time and perform a variety of tasks which assure the ongoing success of the Organization, however, the financial statements do not reflect the value of these donated services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Donated services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Donated goods are recorded on the basis of estimates of wholesale values that would be received for selling similar products at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021.

Leases

Contracts with a term greater than one year that convey the right to direct the use of and obtain substantially all of the economic benefit of an asset are accounted for as right-of-use assets and a corresponding lease liability. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease right-of-use asset or liability recognized.

The Organization has elected to use the written terms and conditions of certain common control arrangements to determine whether leases exist and, if so, the classification of and accounting for those leases.

Right-of-use asset and lease liability balances are recorded at the commencement date at present value of the lease payments using the incremental borrowing rate based on the information available at the lease commencement date because the Organization’s leases do not provide implicit rates. See Note 7 for additional disclosures about the Organization’s lease contracts.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses were \$590 and \$2,919 for the years ended December 31, 2022 and 2021, respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and insurance which are allocated on a square footage basis, as well as salaries and wages, payroll taxes, professional fees, auto expenses, telephone, office expense, advertising, board and staff development and credit card fees, all of which are allocated on the basis of estimates of time and effort.

See independent accountants’ review report.

NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Organization is classified as a Section 501(c)(3) Organization under the Federal Internal Revenue Code. As a result, it has been determined to be exempt from federal income and similar state and local taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

With few exceptions, periods ending December 31, 2019 and thereafter, are subject to U.S. income tax examinations by tax authorities.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

As of January 1, 2022, the Organization changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases, using the modified retrospective transition method. There was no cumulative effect adjustment to the Organization's statement of financial position as of January 1, 2022. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Organization elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Organization has not elected the hindsight practical expedient.

As of January 1, 2022, \$-0- in operating lease right-of-use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of income or cash flows for the year ended December 31, 2022.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. The Organization has a goal to maintain financial assets on hand to meet three months of normal operating expenses which are, on average, approximately \$90,000. The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

See independent accountants' review report.

**NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 – AVAILABILITY AND LIQUIDITY - Continued

The Organization’s financial assets available within one year of the statement of financial position date are as follows:

	2022	2021
Financial assets at year end:		
Cash: Checking and Savings Accounts	\$ 95,391	\$ 134,367
Pledges Receivable - Current Portion	88,750	160,000
Security Deposit	2,000	-
Total Financial Assets	\$ 186,141	\$ 294,367
Less: Net Assets with Donor Restrictions, Not Available for General Expenditures	\$ 137,750	\$ 242,500
Less: Net Assets with Time and Purpose Restrictions to be Met in Less than One Year	(137,750)	(180,000)
Total Amounts Not Available within One Year	\$ -	\$ 62,500
Financial Assets Available to Meet General Expenditures Within One Year	\$ 186,141	\$ 231,867

NOTE 4 – GRANTS RECEIVABLE

Unconditional promises to give at December 31, 2022 and 2021 are \$88,750 and \$222,500, respectively.

	2022	2021
Amounts are due in:		
Less Than One Year	\$ 88,750	160,000
One to Five Years	-	62,500
Total Grants Receivable	\$ 88,750	\$ 222,500

NOTE 5 – LONG-TERM DEBT

New City Neighbors has a long-term loan with Mercantile Bank of Michigan, with monthly payments of \$1,023 including interest at 4.55%, due in full on December 5, 2025. The loan is secured by the Organization’s building. The outstanding balance on the loan was \$149,796 and \$155,047 as of December 31, 2022 and 2021, respectively.

See independent accountants’ review report.

**NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 – LONG-TERM DEBT – Continued

The current maturities of long-term debt are as follows:

<u>Year Ended</u>	
December 31, 2023	\$ 5,871
December 31, 2024	5,844
December 31, 2025	<u>138,081</u>
Total	<u>\$ 149,796</u>

Interest expense incurred on the loan amounted to \$7,181 and \$7,319 for the years ended December 31, 2022 and 2021, respectively.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization has received contributions which have been restricted for a specific purpose or a specified time period by the donor. Net assets with donor restrictions at December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Specific Purpose:		
Amway Grant - Nutrition Education and Youth Employment	\$ -	\$ 20,000
Amway Grant - Nutrition Education and Youth Employment	25,000	-
Access MHEF	30,000	-
Grand Rapids Community Foundation	<u>10,000</u>	<u>-</u>
Total Restricted by Specific Purpose	<u>\$ 65,000</u>	<u>\$ 20,000</u>
Time:		
Harper Collins	\$ 12,500	\$ 37,500
Wege Foundation	50,000	100,000
Grand Rapids Community Foundation	-	50,000
US Department of Agriculture People's Garden	9,000	-
Blue Cross Blue Shield of Michigan Foundation	1,250	-
Access MTHEF	<u>-</u>	<u>35,000</u>
Total Restricted by Time	<u>\$ 72,750</u>	<u>\$ 222,500</u>
Total Net Assets with Restrictions	<u><u>\$ 137,750</u></u>	<u><u>\$ 242,500</u></u>

See independent accountants' review report.

**NEW CITY NEIGHBORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7 – LEASES

The Organization entered into a lease for one acre of land with the purpose of erecting an agricultural structure. The lease began November 1, 2020 and runs through October 31, 2025. Since this is for a joint project with the lessor, there is no rental cost associated with this lease, however, there are termination fees if the lease is terminated prior to the end of the initial term.

On October 15, 2022, the organization entered in to a lease for farmland. This is a one year lease that expires October 15, 2023. The lease terms are \$100 per month. Prior to issuing these financial statements, this lease was rewritten on March 1, 2023 and now it expires on February 28, 2028. The lease terms are a monthly fee of \$200.

The recording of a right-of-use asset and lease liability for these agreements were deemed to be unnecessary due to the insignificant nature of the agreements and payments were treated consistent with the short-term lease exception.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent transactions and events occurring after the year end date and through November 14, 2023, the date these financial statements were available to be issued, and has determined that no items require additional disclosure.

See independent accountants' review report.