

Grassroot Givers, Inc.

(A Nonprofit Organization)

Financial Statements for the

Years Ended December 31, 2021 and 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
of Grassroot Givers, Inc.

I have reviewed the accompanying financial statements of Grassroot Givers, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020 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 entity 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, I 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Grassroot Givers, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

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



Delmar, New York
November 14, 2022

GRASSROOT GIVERS, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash & Cash Equivalents	\$ 290,022	\$ 156,151
Gift In-Kind Inventory	172,946	108,760
Deposit on Equipment	5,216	0
Total Current Assets	<u>468,184</u>	<u>264,911</u>
<u>Improvements and Equipment</u>		
Improvements and Equipment	1,100	1,100
Less: Accumulated Depreciation	<u>(1,100)</u>	<u>(1,100)</u>
Total Improvements and Equipment - Net	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u><u>\$ 468,184</u></u>	 <u><u>\$ 264,911</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
	<u>2021</u>	<u>2020</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accrued Expenses	\$ 796	\$ -
 <u>NET ASSETS</u>		
Without donor restrictions		
Unrestricted and undesignated	451,564	264,811
With donor restrictions		
Purpose restricted	<u>15,824</u>	<u>100</u>
Total Net Assets	<u>467,388</u>	<u>264,911</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 468,184</u></u>	 <u><u>\$ 264,911</u></u>

GRASSROOT GIVERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Public Support and Revenue			
Gift In-Kind Inventory Received	\$ 464,522	\$ -	\$ 464,522
In-Kind Revenue - Rent	-	-	-
Program Revenue	38,045		38,045
Contributions	179,140	34,010	213,150
Fundraising Net of Expenses of \$0	2,630	-	2,630
	<u>684,337</u>	<u>34,010</u>	<u>718,347</u>
Net Assets Released From Restrictions	<u>18,286</u>	<u>(18,286)</u>	<u>-</u>
Total Public Support & Revenue	702,623	15,724	718,347
Functional Expenses			
Program Services	500,265	-	500,265
Management & General	21,376	-	21,376
Fundraising	9,265	-	9,265
	<u>530,906</u>	<u>-</u>	<u>530,906</u>
Total Expenses	530,906	-	530,906
Change in Net Assets from Operating Activities	171,717	15,724	187,441
Non-Operating			
Contribution Income - PPP Loan Forgiveness	14,377	-	14,377
Other Income	372	-	372
Interest Income	287	-	287
	<u>186,753</u>	<u>15,724</u>	<u>202,477</u>
Change in Net assets	186,753	15,724	202,477
Net Assets, Beginning of Year	<u>264,811</u>	<u>100</u>	<u>264,911</u>
Net Assets, End of Year	<u>\$ 451,564</u>	<u>\$ 15,824</u>	<u>\$ 467,388</u>

GRASSROOT GIVERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Public Support and Revenue			
Gift In-Kind Inventory Received	\$ 234,868	\$ -	\$ 234,868
In-Kind Revenue - Rent	-	-	-
Program Revenue	13,107		13,107
Contributions	129,273	-	129,273
Fundraising Net of Expenses of \$0	-	-	-
	<u>377,248</u>	<u>-</u>	<u>377,248</u>
Net Assets Released From Restrictions	<u>6,377</u>	<u>(6,377)</u>	<u>-</u>
Total Public Support & Revenue	383,625	(6,377)	377,248
Functional Expenses			
Program Services	292,033	-	292,033
Management & General	17,875	-	17,875
Fundraising	11,634	-	11,634
	<u>321,542</u>	<u>-</u>	<u>321,542</u>
Change in Net Assets from Operating Activities	62,083	(6,377)	55,706
Non-Operating			
Contribution Income - PPP Loan Forgiveness	14,375	-	14,375
Other Income	107	-	107
Interest Income	344	-	344
	<u>76,909</u>	<u>(6,377)</u>	<u>70,532</u>
Change in Net assets	76,909	(6,377)	70,532
Net Assets, Beginning of Year	<u>187,902</u>	<u>6,477</u>	<u>194,379</u>
Net Assets, End of Year	<u>\$ 264,811</u>	<u>\$ 100</u>	<u>\$ 264,911</u>

GRASSROOT GIVERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Service	Management & General	Fundraising	Total
Gift In-Kind Inventory Distributed	\$ 400,336	\$ -	\$ -	\$ 400,336
Wages	52,933	8,308	8,308	69,549
Rent	16,704	696	-	17,400
Repairs & Maintenance	2,683	112	-	2,795
Other Program Expenses	11,628	-	-	11,628
Payroll Taxes	4,860	763	763	6,386
Professional Fees	-	4,300	-	4,300
Insurance	2,850	-	-	2,850
Postage	-	1,758	-	1,758
Information Technology Expense	2,538	106	-	2,644
Payroll Processing Fees	1,234	194	194	1,622
Office Expenses	-	4,420	-	4,420
Volunteer Expenses	17	-	-	17
Utilities	3,191	133	-	3,324
Interest Expense	-	-	-	-
Advertising	1,291	-	-	1,291
Bank Fees	-	586	-	586
Fundraising Expenses	-	-	-	-
Total Expenses by Function	\$ 500,265	\$ 21,376	\$ 9,265	\$ 530,906
Less expenses included with revenues on statement of activities:				
Fundraising Expenses	\$ -	\$ -	\$ -	\$ -
Total expenses included on expense section on the statement of activities	<u>\$ 500,265</u>	<u>\$ 21,376</u>	<u>\$ 9,265</u>	<u>\$ 530,906</u>

GRASSROOT GIVERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Service	Management & General	Fundraising	Total
Gift In-Kind Inventory Distributed	\$ 216,022	\$ -	\$ -	\$ 216,022
Wages	44,167	10,500	10,500	65,167
Rent	16,704	696	-	17,400
Repairs & Maintenance	-	-	-	-
Other Program Expenses	2,914	-	-	2,914
Payroll Taxes	3,633	864	864	5,361
Professional Fees	-	4,100	-	4,100
Insurance	2,407	-	-	2,407
Postage	-	579	-	579
Information Technology Expense	2,410	100	-	2,510
Payroll Processing Fees	1,084	258	258	1,600
Office Expenses	-	367	-	367
Volunteer Expenses	637	-	-	637
Utilities	1,535	64	-	1,599
Interest Expense	51	12	12	75
Advertising	469	-	-	469
Bank Fees	-	335	-	335
Fundraising Expenses	-	-	-	-
Total Expenses by Function	\$ 292,033	\$ 17,875	\$ 11,634	\$ 321,542
Less expenses included with revenues on statement of activities:				
Fundraising Expenses	\$ -	\$ -	\$ -	\$ -
Total expenses included on expense section on the statement of activities	\$ 292,033	\$ 17,875	\$ 11,634	\$ 321,542

GRASSROOT GIVERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
<u>Cash Flows Provided By (Used For) Operating Activities:</u>		
Change in Net Assets	\$ 202,477	\$ 70,532
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Deposits	(5,216)	-
(Increase) in Gift In-Kind Inventory	(64,186)	(18,846)
Increase (Decrease) in Accrued Expenses	796	(4,979)
	<u>133,871</u>	<u>46,707</u>
Net Cash Provided by Operating Activities	133,871	46,707
<u>Cash Flows (Used For) Financing Activities:</u>		
Repayments of Notes Payable	<u>-</u>	<u>(12,199)</u>
Net Increase in Cash & Cash Equivalents	133,871	34,508
Cash - Beginning of Year	<u>156,151</u>	<u>121,643</u>
Cash - End of Year	<u><u>\$ 290,022</u></u>	<u><u>\$ 156,151</u></u>

Supplemental Disclosure:

Interest paid during the years ended December 31, 2021 and 2020 was \$0 and \$75, respectively. There were no income taxes paid during the years ended December 31, 2021 and 2020.

Gift In-Kind Revenue for the years ended December 31, 2021 and 2020 totaled \$464,522 and \$234,868, respectively. Gifts In-Kind Expenses for the years ended December 31, 2021 and 2020 totaled \$400,336 and \$216,022, respectively.

GRASSROOT GIVERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

NOTE 1: NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization: Grassroot Givers, Inc. (GRG) is a non-stock corporation organized under the provisions of the Not-For-Profit Corporation Law of the State of New York. Its purpose is to support programs operated by nonprofit organizations in the Capital Region of New York; To support individuals, families, homeless shelters, housing programs, veterans' organizations, food pantries, inner city after-school programs, child and family service agencies, substance abuse treatment programs, and programs assisting those who are victims of domestic violence, poverty, mental illness and HIV/Aids; To make the connection between those in need of specific supplies and material resources and those who have supplies and resources to share.

Accounting Method - The financial statements have been prepared on the accrual basis in accordance with Generally Accepted Accounting Principles.

Income Taxes: No provision has been made for income taxes, as GRG is exempt from income tax under section 501 (c) (3) of the Internal Revenue Code. There were no income taxes paid during the year ended December 31, 2021 and 2020.

Interest: Interest paid during the years ended December 31, 2021 and 2020 was \$0 and \$75, respectively.

Gift In-Kind Revenue and Expenses –Gifts In-Kind are recorded at estimated fair value, as well as Gifts In-Kind distributed. Approximately 3,500 volunteers donated approximately 14,000 hours of time to GRG. In-Kind revenue and expenses were not recorded for these due to the inability to accurately report the value.

Gift In-Kind Inventory – Gift In-Kind Inventory consists of donated clothing, household items and books, used in the operation of GRG's programs. All such inventory is recorded at its estimated fair value at the date of donation and reported at its carrying amount thereafter.

Cash & Cash Equivalents: Cash and Cash Equivalents are defined as cash on hand and cash held in a credit union. The deposits are insured by the National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. As of December 31, 2021 and 2020 there was \$40,876 and \$0 in excess of the NCUSIF limit, respectively.

Improvements, Equipment and Depreciation: Improvements and equipment are recorded at cost and depreciation is computed using the straight-line method over the estimated useful lives between 3 and 39 years. There was no depreciation expense for the years ended December 31, 2021 and 2020. Maintenance and repairs are expensed as incurred, and betterments are capitalized in the year incurred.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses - The Statements of Activities reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across nearly all natural categories are allocated on the basis of estimates of time and effort.

Advertising - Advertising costs are charged to expense in the period incurred. Advertising expense was \$1,291 and \$469 for the years ended December 31, 2021 and 2020, respectively.

GRASSROOT GIVERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

NOTE 1: NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation - The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018. The Financial Accounting Standards Board (FASB) issued Accounting Standards Update ASU 2016- 14, "Presentation of Financial Statements of Not-for-Profit Entities". The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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 the Non-Profit Organization 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. There were no restrictions perpetual in nature during the years 2021 and 2020.

Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) which establishes principles for reporting revenue arising from an organization's contracts with customers. The core principle of ASU 2014-09 requires an organization to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The requirements of ASU 2014-09 are effective for the Organization's years ending December 31, 2019 and 2020. There is no impact on these financial statements arising from any prior periods requiring adjustments.

In 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, *Not-for-Profit Entities* or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. The requirements of ASU 2018-08 are effective for the Organization's years ending December 31, 2019 and 2020. There is no impact on these financial statements arising from any prior periods requiring adjustments.

NOTE 2: SUBSEQUENT EVENTS

The Organization has evaluated events after December 31, 2021 and through November 14, 2022 which is the date the financial statements were available to be issued, and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

GRASSROOT GIVERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

NOTE 3: NOTE PAYABLE AND RELATED PARTY TRANSACTION

During previous years, the Executive Director loaned money to the Organization for operating expenses. This loan was paid off in March 2020. There were no principal payments due on the Note Payable, outstanding at December 31, 2021 or 2020. The Organization has no accumulated unpaid interest on this Note as of December 31, 2021 or 2020.

NOTE 4: GIFT IN-KIND PROGRAM

The Organization's gift in-kind activity is summarized below:

Year Ended December 31, 2021				
	Beginning Inventory	Contributions Received	Distributions	Ending Inventory
Clothing & Household Items	\$ 91,814	\$ 348,522	\$ 290,336	\$ 150,000
Books	16,946	116,000	110,000	22,946
Total	\$ 108,760	\$ 464,522	\$ 400,336	\$ 172,946

Year Ended December 31, 2020				
	Beginning Inventory	Contributions Received	Distributions	Ending Inventory
Clothing & Household Items	\$ 60,968	\$ 134,868	\$ 104,022	\$ 91,814
Books	28,946	100,000	112,000	16,946
Total	\$ 89,914	\$ 234,868	\$ 216,022	\$ 108,760

NOTE 5: PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

The Organization was granted loans ("Loans") from State Employees Federal Credit Union (the "Lender") in the amount of \$14,377 and \$14,375, during 2021 and 2020, respectively, pursuant to the Paycheck Protection Program (the "PPP") under Title I of the CARES Act, which was enacted March 27, 2020.

The Loans, which were in the form of Notes issued by the Lender, were forgiven during 2021 and 2020 after the Organization provided support that the loan proceeds were used for qualifying expenses as required by the CARES Act.

It is the Organization's PPP Loan accounting policy to recognize the Loans as refundable advances. Once the conditions of release have been substantially met, the Organization reduced the refundable advance liability and recognized contribution income. As a result, \$14,377 and \$14,375 was recognized as "Contribution Income – PPP Loan Forgiveness" under Other Income on the Statement of Activities for the year ended December 31, 2021 and 2020, respectively.

GRASSROOT GIVERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Program Expenses	\$ 15,824	\$ 100

Net Assets released from donor restrictions by incurring expenses satisfying the restricted purpose during the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Purpose restriction accomplished:		
Computers and Security	\$ -	\$ 1,752
Program Expenses	18,286	4,625
Total	<u>\$ 18,286</u>	<u>\$ 6,377</u>

NOTE 7: AVAILABILITY AND LIQUIDITY

The Organization strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for management and general, and fundraising expenses plus an amount that represents the expected amounts to be paid out for program and grants in the next 12 months.

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

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 290,022	\$ 156,151
Less amounts not available to be used within one year:		
Donor imposed restrictions:		
Purpose restricted funds	<u>(18,286)</u>	<u>(100)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 271,736</u>	<u>\$ 156,051</u>