

Backyard Growers, Inc.

Financial Statements

December 31, 2021 and 2020

**Backyard Growers, Inc.**  
**Financial Statements**  
**December 31, 2021 and 2020**

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## Independent Accountant's Review Report

To the Board of Directors and Management of  
Backyard Growers, Inc.  
Gloucester, Massachusetts

We have reviewed the accompanying financial statements of Backyard Growers, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the 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 the financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards of 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 Backyard Growers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

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

**Report on 2020 Financial Statements**

The financial statements of Backyard Growers, Inc. as of December 31, 2020, prior to restatement, were reviewed by other accountants whose report dated March 15, 2021, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America.

**Report on Restatement Adjustments to 2020 Financial Statements**

As part of our review of the 2021 financial statements, we also reviewed the adjustments described in Note 11 that were applied to restate the 2020 financial statements. Based on my our review, we are not aware of any material modifications that should be made to the adjustments that were applied to restate the 2020 financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America.

*Anstiss & Co., P.C.*

Anstiss & Co., P. C.  
Chelmsford, Massachusetts  
June 24, 2022

**Backyard Growers, Inc.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 256,009	\$ 255,971
Other investments	100,942	100,377
Accounts receivable - net	10,312	4,138
Promises to give - current portion	66,174	14,116
Total current assets	433,437	374,602
Promises to give - long-term portion	10,000	-
<b>Total assets</b>	<b>\$ 443,437</b>	<b>\$ 374,602</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 15,966	\$ 9,598
Total current liabilities	15,966	9,598
Net assets		
Without donor restrictions	309,971	339,404
With donor restrictions	117,500	25,600
Total net assets	427,471	365,004
<b>Total liabilities and net assets</b>	<b>\$ 443,437</b>	<b>\$ 374,602</b>

**Backyard Growers, Inc.**  
**Statements of Activities**  
**For the Years Ended December 31, 2021 and 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>						
Contributions and grants	217,694	\$ 172,808	\$ 390,502	273,511	\$ 47,000	\$ 320,511
Special events	60,240	-	60,240	58,499	-	58,499
Program service fees	36,160	-	36,160	28,871	-	28,871
Interest income	837	-	837	461	-	461
Gain on forgiveness of note payable	-	-	-	41,000	-	41,000
Net assets released from restrictions	80,908	(80,908)	-	66,400	(66,400)	-
<b>Total revenue</b>	<u>395,839</u>	<u>91,900</u>	<u>487,739</u>	<u>468,742</u>	<u>(19,400)</u>	<u>449,342</u>
<b>Expenses</b>						
Program services	306,519	-	306,519	195,367	-	195,367
Management and general	37,591	-	37,591	32,410	-	32,410
Fundraising	81,162	-	81,162	95,148	-	95,148
<b>Total expenses</b>	<u>425,272</u>	<u>-</u>	<u>425,272</u>	<u>322,925</u>	<u>-</u>	<u>322,925</u>
<b>Change in net assets</b>	(29,433)	91,900	62,467	145,817	(19,400)	126,417
<b>Net assets at the beginning of year as originally stated</b>	339,404	25,600	365,004	187,587	45,000	232,587
<b>Prior Period Adjustment</b>	-	-	-	6,000	-	6,000
<b>Net assets at the beginning of year as restated</b>	<u>339,404</u>	<u>25,600</u>	<u>365,004</u>	<u>193,587</u>	<u>45,000</u>	<u>238,587</u>
<b>Net assets at the end of year</b>	<u>\$ 309,971</u>	<u>\$ 117,500</u>	<u>\$ 427,471</u>	<u>\$ 339,404</u>	<u>\$ 25,600</u>	<u>\$ 365,004</u>

See accompanying notes and independent accountant's review report.

**Backyard Growers, Inc.**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2021 and 2020**

	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2021 Total</b>
Salaries and wages	\$ 206,011	\$ 17,054	\$ 63,782	\$ 286,847
Payroll taxes and related costs	20,276	1,678	6,278	28,232
Total salaries and payroll taxes	226,287	18,732	70,060	315,079
Outside services - programs	37,196	-	-	37,196
Program materials and supplies	17,157	1,200	-	18,357
Occupancy	10,950	3,650	-	14,600
Fundraising related costs	-	-	9,943	9,943
Professional fees	-	8,728	-	8,728
Outreach	5,112	-	-	5,112
Repairs and maintenance	1,932	1,932	-	3,864
Vehicle	3,792	-	-	3,792
Miscellaneous	804	1,131	1,159	3,094
Insurance	1,179	1,179	-	2,358
Telephone and internet	1,202	401	-	1,603
Travel and professional development	908	638	-	1,546
Total expenses	<u>\$ 306,519</u>	<u>\$ 37,591</u>	<u>\$ 81,162</u>	<u>\$ 425,272</u>

	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2020 Total</b>
Salaries and wages	\$ 135,451	\$ 14,785	\$ 73,484	\$ 223,720
Payroll taxes and related costs	11,891	1,298	6,451	19,640
Total salaries and payroll taxes	147,342	16,083	79,935	243,360
Outside services - programs	17,399	-	-	17,399
Program materials and supplies	7,787	2,505	-	10,292
Occupancy	8,325	3,339	-	11,664
Fundraising related costs	-	-	13,969	13,969
Professional fees	-	6,959	-	6,959
Outreach	2,412	-	-	2,412
Vehicle	1,865	-	-	1,865
Miscellaneous	938	1,309	1,244	3,491
Insurance	1,045	1,045	-	2,090
Telephone and internet	1,438	479	-	1,917
Travel and professional development	2,073	691	-	2,764
Bad debt	3,750	-	-	3,750
Depreciation	993	-	-	993
Total expenses	<u>\$ 195,367</u>	<u>\$ 32,410</u>	<u>\$ 95,148</u>	<u>\$ 322,925</u>

See accompanying notes and independent accountant's review report.

**Backyard Growers, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
<b>Change in net assets</b>	\$ 62,467	126,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	993
Donated stocks	-	(2,165)
Proceeds from donated stocks	-	2,165
Bad debt expense	-	3,750
Gain on forgiveness of note payable	-	(41,000)
Increase in accounts receivable	(6,174)	(692)
(Increase) decrease in promises to give	(62,058)	30,884
Increase in accounts payable and accrued expenses	6,368	1,243
<b>Net cash provided by operating activities</b>	603	121,595
<b>Cash flows from investing activities</b>		
Purchase of other investments	(565)	(100,377)
<b>Net cash used by financing activities</b>	(565)	(100,377)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of note payable	-	41,000
<b>Net cash provided by financing activities</b>	-	41,000
<b>Net increase in cash and cash equivalents</b>	38	62,218
<b>Cash and cash equivalents - Beginning of Year</b>	255,971	193,753
<b>Cash and cash equivalents - End of Year</b>	\$ 256,009	\$ 255,971

See accompanying notes and independent accountant's review report.



**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 1 – Nature of Operations**

Backyard Growers, Inc. (the “Organization”) was organized on July 31, 2014 in Gloucester, Massachusetts under Section 501(c)(3) of the Internal Revenue Code to provide resources and support to the local community and establish vegetable gardens at homes, public housing, organizations and schools. The Organization’s purpose is to reshape the community’s relationship with food.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Accounting***

The financial statements of the Organization have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claim receipt, and liabilities are recorded when the obligation is incurred.

***Basis of Presentation***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification ("ASC") 958-205, “*Presentation of Financial Statements.*” Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

***Classification of Net Assets***

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

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Also included in this category, are net assets subject to donor restrictions to be maintained in perpetuity as permanent assets.

***Cash and Cash Equivalents***

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Other Investments***

Other investments include a certificate of deposit with an original maturity date of more than three months.

***Fair Value of Financial Instruments***

ASC 820-10, “*Fair Value Measurements*,” applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable for the asset or liability which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

ASC 825-10, “*Financial Instruments*,” permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed in the standard.

***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to an allowance for uncollectible accounts based on its assessment of the status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectible accounts and a credit to accounts receivable. The allowance for doubtful accounts totaled \$1,000 and \$3,750 at December 31, 2021 and 2020, respectively.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Promises to Give***

Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is recorded as additional contribution revenue in the years the payments are received. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. There was no allowance for uncollectible promises to give at December 31, 2021 and 2020.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$2,500 and all such expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from two to five years, or over the length of the lease for leasehold improvements. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and gains or losses are included in the statements of activities.

***Revenue Recognition***

The Organization follows Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*”, and ASU No. 2018-08, “*Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*”.

Program service fees are recognized as consulting and presentation services are performed, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services. Fees received for the sale of goods are recognized when payment is tendered at the point of sale as the performance obligation has been satisfied. Fees received in advance are deferred to the applicable period in which the related services are performed.

Special events revenue is comprised of annual sponsorship and event ticket revenue. Annual sponsorship revenue is recognized at time of donation. Event sponsorship and event ticket revenues are recognized when the event occurs. Fees received in advance of the event are deferred to the applicable period in which the event occurs.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Revenue Recognition (continued)***

Contributions, including grants, are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

***Donated Services and Materials***

The Organization recognizes donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing skills, and would typically need to be purchased if not provided by the donation. In addition, a substantial number of volunteers donate significant amounts of their time in the furtherance of the Organization's programs. The value of this contributed time is not reflected in the accompanying financial statements since it does not meet the recognition criteria in accordance with U.S. GAAP.

When significant, donations of professional services are recorded at their estimated fair market value based on the current fee schedule of the donor at the date of receipt and are reflected as both an in-kind contribution and expense in the statements of activities.

***Expense Allocation***

The Organization allocates expenses on a functional basis among its program and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following: Management and general costs includes all activities related to the Organization's internal management and accounting for program services. Fundraising costs includes activities related to maintaining contributor information, special events, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain indirect costs have been allocated based on estimates of time, effort, and usage.

Allocations of functional expenses are based on management's discretion and estimates. These variables may change from year to year. As a result, there may be fluctuations in the comparative presentation of data from year to year.

***Advertising Costs***

The Organization expenses advertising costs as they are incurred. There were no advertising expenses incurred for the years ended December 31, 2021 and 2020.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Uncertain Tax Positions***

The Organization is organized and operated exclusively for charitable and educational purposes. Income related to these purposes is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Unrelated business income would be taxable according to applicable Internal Revenue Code sections. The Organization regularly reviews and evaluates its tax positions taken in its filed returns and recognizes the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The Organization accrues interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Organization has no provisions for which it has accrued for the years ending December 31, 2021 and 2020.

The Organization files federal and Massachusetts tax returns. The statute of limitations for these jurisdictions is generally three years. The Organization had no returns under examination as of December 31, 2021 .

**Note 3 – Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, other investments and promises to give. The Organization maintains its cash and other investments in bank deposit, money market accounts and certificate of deposits, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents and other investments. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and foundations supportive of the Organization's mission.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 4 – Liquidity And Availability**

Financial assets available for general expenditure, that is, without board-designations or donor restrictions limiting their use, within one year of the statement of financial position date were as follows as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 256,009	\$ 255,971
Other investments	100,942	100,377
Accounts receivable, net	10,312	4,138
Promises to give	66,174	14,116
Total financial assets available for expenditure	<u>433,437</u>	<u>374,602</u>
Less: amounts not available for general expenditure		
Net assets donor restricted for time and specific purposes	<u>(107,500)</u>	<u>(25,600)</u>
Total amounts not available for general expenditure	<u>(107,500)</u>	<u>(25,600)</u>
Total financial assets available for general expenditure within one year	<u>\$ 325,937</u>	<u>\$ 349,002</u>

As part of the Organization’s liquidity management plan, cash in excess of daily requirements is invested in a money market account and certificates of deposit. From time to time, the Board assesses the cash requirements of its operating activities and repositions its savings position accordingly.

**Note 5 – Promises to Give**

Promises to give are summarized as follows:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 66,174	\$ 14,116
One to five years	10,000	-
Total promises to give	76,174	14,116
Less: unamortized discount	-	-
Net promises to give	<u>\$ 76,174</u>	<u>\$ 14,116</u>

**Note 6 – Property and Equipment**

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Motor Vehicle	\$ 6,900	\$ 6,900
Less: Accumulated depreciation	<u>(6,900)</u>	<u>(6,900)</u>
Net property and equipment	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the year ended December 31, 2021. Depreciation expense amounted to \$993 for the year ended December 31, 2020.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
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**Note 7 – Net Assets With Donor Restrictions**

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

	<u>2021</u>	<u>2020</u>
Subject to the passage of time	\$ 55,000	\$ 8,600
Subject to expenditure for specified purpose:		
Vehicle	30,000	-
Agriculture	27,500	-
Community programs	4,000	1,000
Signage	1,000	-
Consulting initiatives	-	10,000
O’Maley school programs	-	6,000
Total financial assets available for general expenditure within one year	<u>\$ 117,500</u>	<u>\$ 25,600</u>

**Note 8 – Commitments**

On July 1, 2021, the Organization signed a lease to sublet space in Gloucester, Massachusetts under a lease agreement which expires on June 30, 2023. Monthly rent payments under the lease total \$1,750. Previously, the Organization had a lease agreement to sublet a different space at a rate of \$850 a month. Rent expense for the years ended December 31, 2021 and 2020 amounted to \$14,600 and \$11,100, respectively.

A schedule by year of future minimum payments required under the operating space lease is as follows:

2022	\$ 21,000
2023	<u>10,500</u>
Total minimum lease payments	<u>\$ 31,500</u>

**Note 9 - Paycheck Protection Program Loan**

In April 2020 the Organization applied for and obtained a Paycheck Protection Program (PPP) loan under the CARES Act totaling \$45,000. The loan is available to pay payroll costs, utilities, rent and mortgage interest over a 24-week period from the time the loan is obtained. Provided the loan amount is used to pay these costs and the Organization maintains certain employment benchmarks, the loan will be forgiven.

In October 2020 the PPP loan was forgiven by the Small Business Administration in the amount of \$41,000, representing the original loan amount less a \$4,000 Economic Injury Disaster Loan (EIDL) Advance received in April 2020. As a result, the Organization recorded a gain on forgiveness of note payable in the statements of activities totaling \$41,000. The Economic Aid Act passed in December 2020 repealed the requirement to deduct the EIDL Advance from PPP forgiveness. Accordingly, \$4,000 representing the EIDL Advance was included in promises to give on the statement of financial position as of December 31, 2020 and was repaid by the lending bank during 2021.

**Backyard Growers, Inc.**  
**Notes to the Financial Statements**  
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**Note 10 – Contingency**

As of June 24, 2022, the Organization continues to be impacted by COVID-19, which was characterized as a pandemic by the World Health Organization on March 11, 2020. In addition, multiple jurisdictions in the U.S., including Massachusetts, had declared a state of emergency. It is anticipated that these impacts will continue for some time.

The extent of the impact of the COVID-19 pandemic on the Organization’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak. Changes to the operating environment may increase operating costs. Future potential impacts may include disruptions or restrictions on employees’ ability to work, donors’ ability to contribute, or the Organization’s ability to fundraise. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

**Note 11 – Prior Period Adjustment**

Backyard Growers, Inc. determined that accrued expenses fees had been misstated in prior years. Accordingly, the financial statements have been restated to reflect this change.

As of December 31, 2019, the following financial statement line item has been restated:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of activities:			
Net assets without donor restrictions	\$ 187,587	\$ 6,000	\$ 193,587

As of December 31, 2020, the following financial statement line items have been restated:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of financial position:			
Accounts payable and accrued expenses	\$ 15,998	\$ (6,400)	\$ 9,598
Statement of activities:			
Professional fees	\$ 7,359	\$ (400)	\$ 6,959
Net assets without donor restrictions	\$ 333,004	\$ 6,000	\$ 339,004

**Note 12 – Subsequent Events**

ASC 855-10, “*Subsequent Events*,” defines further disclosure requirements for events that occur after the consolidated statements of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization’s management has evaluated events subsequent to December 31, 2021 through June 24, 2022, which is the date the financial statements were available to be issued.

There has been no material event noted during this period that would either impact the results reflected in this report or the Organization’s results going forward.