

**AmpleHarvest.org Inc.**

Financial Statements  
With Independent Auditors' Report

December 31, 2017

# AmpleHarvest.org Inc.

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## INDEPENDENT AUDITORS' REPORT

**Board of Directors  
AmpleHarvest.org Inc.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of AmpleHarvest.org Inc., which comprise the statement of financial position as of December 31, 2017 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

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

Galleros Koh LLP

Cream Ridge, New Jersey  
November 15, 2018

**AmpleHarvest.org Inc.**

STATEMENT OF FINANCIAL POSITION

December 31, 2017

**ASSETS**

Current Assets:

Cash \$ 62,905

Total Assets \$ 62,905

**LIABILITIES AND NET ASSETS**

Current Liabilities -

Accounts payable and accrued expenses \$ 41,919

Net Assets

Unrestricted (4,014)

Temporarily restricted 25,000

20,986

Total Liabilities and Net Assets \$ 62,905

See notes to financial statements

**AmpleHarvest.org Inc.**

STATEMENT OF ACTIVITIES  
December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions from public	\$ 141,410	\$ 25,000	\$ 166,410
In-kind contributions	2,512,271	-	2,512,271
Other revenues	623	-	623
Release from restrictions	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
Total Revenues	<u>2,729,304</u>	<u>(50,000)</u>	<u>2,679,304</u>
<b>EXPENSES</b>			
Educational and outreach	2,504,284	-	2,504,284
Personnel services	171,286	-	171,286
Professional fees	26,066	-	26,066
Payroll taxes	13,198	-	13,198
Transportation and travel	2,760	-	2,760
Communications	11,182	-	11,182
Insurance	2,436	-	2,436
Office supplies, printing and storage	44	-	44
Advertising	342	-	342
Facilities and equipment	1,970	-	1,970
Fees, taxes, licenses and permits	2,386	-	2,386
Miscellaneous	<u>1,406</u>	<u>-</u>	<u>1,406</u>
Total Expenses	<u>2,737,360</u>	<u>-</u>	<u>2,737,360</u>
Change in Net Assets	(8,056)	(50,000)	(58,056)
<b>NET ASSETS</b>			
Beginning of year	<u>4,042</u>	<u>75,000</u>	<u>79,042</u>
End of year	<u>\$ (4,014)</u>	<u>\$ 25,000</u>	<u>\$ 20,986</u>

See notes to financial statements

**AmpleHarvest.org Inc.**

STATEMENT OF CASH FLOWS

December 31, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	(58,056)
Adjustments to reconcile change in net assets to net cash from operating activities		
Changes in operating assets and liabilities		
Accounts payable and accrued expenses		<u>4,445</u>
Net Cash From Operating Activities		(53,611)

**CASH**

Beginning of year		<u>116,516</u>
End of year	\$	<u><u>62,905</u></u>

See notes to consolidated financial statements

## AmpleHarvest.org Inc.

### Notes to Financial Statements

#### 1. ORGANIZATION AND TAX STATUS

AmpleHarvest.org Inc. (the Organization) was formed on April 21, 2010 as a 501(c)(3) corporation. As such, the Organization is exempt from federal income tax and contributions to it are deductible under Sec. 170 of the Internal Revenue Code.

The purpose of the Organization is to diminish wasted fresh food and therefore hunger in the United States by (1) providing internet-based resources that enable local gardeners and other entities seeking to donate extra produce and food to connect with local food pantries, food banks and food distribution programs in need of fresh produce and food to distribute to the needy; and (2) educating the public about the hunger situation in the United States and encouraging them to donate their extra produce and food through programs and media, including the use of web based applications.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### ***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

##### ***Use of Estimates***

The preparation of financial statements in accordance with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Cash and Cash Equivalents***

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments, with an initial maturity of three months or less to be cash equivalents.

##### ***Net Assets***

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Unrestricted net assets*** – Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

## AmpleHarvest.org Inc.

### Notes to Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Temporarily restricted net assets** - Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified assets is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

**Permanently restricted net assets** - Consist of assets whose use by the Organization is subject to donor-imposed stipulations that the funds be maintained in perpetuity and only the interests earned from the investment of such funds may be released from restrictions and used in the Organization's operations.

The Organization had no permanently restricted net assets as of December 31, 2017.

### **Accounting for Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction.

### **Accounting for Uncertainty in Income Taxes**

The Organization is exempt from federal income tax under Section 501 (C)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2014.

## AmpleHarvest.org Inc.

### Notes to Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Donated Services*

Certain unpaid volunteers have made significant contributions of their time in the areas of program and support services. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

### *Subsequent Events Evaluation by Management*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 15, 2018.

## 3. CASH

As of December 31, 2017, cash consists of the following:

Cash in Bank	\$	24,640
Cash on hand		<u>38,265</u>
	\$	<u><u>62,905</u></u>

## 4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At December 31, 2017, accounts payable and accrued expenses consist of the following:

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 919	\$ -
Accrued audit fees	2,500	4,500
Accrued Payroll	<u>38,500</u>	<u>34,500</u>
	<u><u>\$ 41,919</u></u>	<u><u>\$ 39,000</u></u>

## AmpleHarvest.org Inc.

### Notes to Financial Statements

#### 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2017, amounting to \$25,000 represent time-restricted contributions.

Net assets released from restrictions after satisfying purpose and time restrictions during fiscal year ended December 31, 2017 are as follows:

Garden food waste study	\$	52,500
Time-restricted		<u>22,500</u>
	\$	<u>75,000</u>

#### 6. IN-KIND CONTRIBUTIONS

The organization is an AppNexus and Google Ad Grants recipient, the nonprofit edition of AdWords, Google's advertising program which enable AmpleHarvest.org to reach out directly to their target audience, while the AppNexus Public Service Announcements allows the Organization to spread awareness of AmpleHarvest.org and its work on a random basis through static ads that appear on millions of websites. Based on AppNexus' and Google's estimates, the value of these advertising credits amounted to \$2,088,890 and \$415,215, respectively, and are recognized as in-kind contributions, and education and outreach expenses in the Statement of Activities.

In addition, the Organization also received donated licenses and software and others with a total value of \$8,166 recorded as in-kind contributions in the Statement of Activities.

#### 7. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

##### *ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities*

In August 2016, the FASB issued ASU 2016-14 to improve the presentation of financial statements of not-for-profit entities. ASU 2016-14 impacts all not-for-profit entities in the scope of Topic 958, as well as health care entities subject to the nonprofit guidance in Topic 954. This is the first major change to the nonprofit financial statement model in over 20 years, which is intended to provide more useful information to donors, grantors, and other users. The ASU becomes effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the impact of the adoption of ASU 2016-14.