

AmpleHarvest.org Inc.

Financial Statements
With Independent Auditors' Report

December 31, 2018

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, 2018 and the related statements of activities, functional expenses 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.

AmpleHarvest.org Inc.

Notes to Financial Statements

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

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, 2018, 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.

Galleras Robinson CPAs, LLP

Cream Ridge, New Jersey
November 14, 2019

AmpleHarvest.org Inc.

STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

Current Assets:

Cash	\$ 24,225
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Total Assets	<u>\$ 24,225</u>
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LIABILITIES AND NET ASSETS

Current Liabilities -

Accounts payable and accrued expenses	\$ 4,061
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Net Assets

Without Donor Restriction	20,164
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With Donor Restriction	-
	<u>20,164</u>

Total Liabilities and Net Assets	<u>\$ 24,225</u>
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See notes to financial statements.

AmpleHarvest.org Inc.

STATEMENT OF ACTIVITIES
December 31, 2018

	Without Donor Restriction	With Donor Restriction	<u>Total</u>
REVENUES			
Contributions from public	\$ 108,031	\$ -	\$ 108,031
In-kind contributions	1,602,623	-	1,602,623
Other revenues	40,245	-	40,245
Release from restrictions	25,000	(25,000)	-
Total Revenues	<u>1,775,899</u>	<u>(25,000)</u>	<u>1,750,899</u>
EXPENSES			
Program services	1,733,590	-	1,733,590
General and administrative	15,706	-	15,706
Fundraising	2,425	-	2,425
Total Expenses	<u>1,751,721</u>	<u>-</u>	<u>1,751,721</u>
Change in Net Assets	24,178	(25,000)	(822)
NET ASSETS			
Beginning of year	<u>(4,014)</u>	<u>25,000</u>	<u>20,986</u>
End of year	<u>\$ 20,164</u>	<u>\$ -</u>	<u>\$ 20,164</u>

See notes to financial statements.

AmpleHarvest.org Inc.

Statement of Functional Expenses
Year Ended December 31, 2018

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries and wages	\$ 90,300	\$ 700	\$ -	\$ 91,000
Payroll taxes	7,291	61	-	7,352
Total personnel costs	<u>97,591</u>	<u>761</u>	<u>-</u>	<u>98,352</u>
Other than Personnel				
Educational and outreach	1,602,623	-	-	1,602,623
Contracted and professional fees	22,914	12,472	2,425	37,811
Communications	6,641	-	-	6,641
Insurance	-	2,423	-	2,423
Office supplies, printing and storage	452	-	-	452
Advertising	219	-	-	219
Facilities and equipment	-	50	-	50
Fees, taxes, licenses and permits	2,447	-	-	2,447
Miscellaneous	703	-	-	703
Total other than personnel	<u>1,635,999</u>	<u>14,945</u>	<u>2,425</u>	<u>1,653,369</u>
Total Expenses	<u>\$ 1,733,590</u>	<u>\$ 15,706</u>	<u>\$ 2,425</u>	<u>\$ 1,751,721</u>

See notes to financial statements.

AmpleHarvest.org Inc.

STATEMENT OF CASH FLOWS
December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (822)
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>(37,858)</u>
Net Cash From Operating Activities	(38,680)

CASH

Beginning of year	<u>62,905</u>
End of year	<u><u>\$ 24,225</u></u>

See notes to 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 purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. Restricted cash is limited in use for security deposits from tenants as required under lease agreements.

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

AmpleHarvest.org Inc.

Notes to Financial Statements

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.

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.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Payroll taxes	Time and effort
Contracted and professional fees	Level of effort

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 8, 2019.

On February 12, 2019, the Organization's Board of Directors (BOD) resolved, in agreement with the Executive Director, that the Executive Director's salary for the calendar year 2018 shall be considered paid in full for fiscal year 2018 and that there are no additional monies due for salary compensation to the Executive Director for the 2018 fiscal year.

The BOD further resolved that, in agreement with the Executive Director, it accepts the Executive Director's waiver and approves the cancellation of any and all additional indebtedness that the Organization may have owed the Executive Director for any times prior to fiscal year 2018. As a result, the Organization recognized a miscellaneous income amounting to \$38,500.

AmpleHarvest.org Inc.

Notes to Financial Statements

3. ACCOUNTING PRONOUNCEMENT ADOPTED DURING THE YEAR

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - 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. The Organization has adjusted the presentation of these statements to comply with the ASU. The ASU has been applied retrospectively to all periods presented. The adoption of the ASU did not have an effect in the Organization's net assets at January 1, 2018.

4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

ASU 2016-02, Accounting for Leases

On February 25, 2016, the FASB issued ASU 2016-02, "Leases," which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2019 and the Organization the pending adoption of ASU 2016-02 has no impact on its financial statements.

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 that deferred the effective date for the Foundation until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

AmpleHarvest.org Inc.

Notes to Financial Statements

5. CASH

As of December 31, 2018, cash consists of the following:

Cash in bank	\$	23,895
Cash on hand		<u>330</u>
Total	\$	<u>24,225</u>

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At December 31, 2018 and 2017, accounts payable and accrued expenses consist of the following:

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 1,561	\$ 919
Accrued audit fees	2,500	2,500
Accrued payroll	-	<u>38,500</u>
Total	\$ <u>4,061</u>	\$ <u>41,919</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

During the fiscal year ended December 31, 2018, net assets released from restrictions after satisfying time restrictions amounted to \$25,000.

8. IN-KIND CONTRIBUTIONS

The organization is an AppNexus and Google Ad Grants recipient, the nonprofit edition of AdWords, Google's advertising program. This program enables 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 \$ 1,602,623.36, recognized as in-kind contributions and education and outreach expenses in the Statements of Activities and Functional Expenses.