

AmpleHarvest.org Inc.

Financial Statements
with Independent Auditor's Report

December 31, 2019

AMPLEHARVEST.ORG INC.

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
AmpleHarvest.org Inc.

We have audited the accompanying financial statements of AmpleHarvest.org Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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.

Auditor's 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. 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 auditor's 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, 2019, 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 Robinson CPAs, LLP

Cream Ridge, New Jersey
November 13, 2020

AMPLEHARVEST.ORG INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

ASSETS

Cash \$ 24,449

Total Assets \$ 24,449

LIABILITIES AND NET ASSETS

Liabilities
Accounts payable and accrued expenses \$ 12,625

Net Assets
Without donor restrictions 11,824

Total Liabilities and Net Assets \$ 24,449

AMPLEHARVEST.ORG INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions from public	\$ 163,601	\$ -	\$ 163,601
In-kind contributions	478,456	-	478,456
Other revenues	<u>6,307</u>	<u>-</u>	<u>6,307</u>
Total Revenues	<u>648,364</u>	<u>-</u>	<u>648,364</u>
EXPENSES			
Program services	597,939	-	597,939
General and administrative	30,008	-	30,008
Fundraising	<u>28,757</u>	<u>-</u>	<u>28,757</u>
Total Expenses	<u>656,704</u>	<u>-</u>	<u>656,704</u>
CHANGE IN NET ASSETS	(8,340)	-	(8,340)
NET ASSETS, BEGINNING OF YEAR	<u>20,164</u>	<u>-</u>	<u>20,164</u>
NET ASSETS, END OF YEAR	<u>\$ 11,824</u>	<u>\$ -</u>	<u>\$ 11,824</u>

AMPLEHARVEST.ORG INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries and wages	\$ 96,556	\$ 14,222	\$ 14,222	\$ 125,000
Payroll taxes	<u>7,877</u>	<u>1,110</u>	<u>1,110</u>	<u>10,097</u>
Total personnel expenses	<u>104,433</u>	<u>15,332</u>	<u>15,332</u>	<u>135,097</u>
Other than Personnel				
Educational and outreach	478,456	-	-	478,456
Professional fees	10,927	6,868	13,425	31,220
Communications	3,913	-	-	3,913
Insurance	-	3,008	-	3,008
Advertising	210	-	-	210
Facilities and equipment	-	50	-	50
Transportation and travel	-	561	-	561
Fees, taxes, licenses and permits	-	2,800	-	2,800
Miscellaneous	<u>-</u>	<u>1,389</u>	<u>-</u>	<u>1,389</u>
Total other than personnel expenses	<u>493,506</u>	<u>14,676</u>	<u>13,425</u>	<u>521,607</u>
Total Expenses	<u>\$ 597,939</u>	<u>\$ 30,008</u>	<u>\$ 28,757</u>	<u>\$ 656,704</u>

AMPLEHARVEST.ORG INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (8,340)
Adjustment to reconcile change in net assets to net cash from operating activities	
Increase in accounts payable and accrued expenses	<u>8,564</u>
Net cash from operating activities	224
Net change in cash	224
CASH, BEGINNING OF YEAR	<u>24,225</u>
CASH, END OF YEAR	<u><u>\$ 24,449</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

No taxes or interest were paid during the year.

AMPLEHARVEST.ORG INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 ("IRC").

The purpose of the Organization is to diminish wasted fresh food and therefore hunger in the United States of America 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.

Within the mission of AmpleHarvest.org, we operate several programs to create the impact that we are seeking to accomplish. Each of these programs are online, meaning they can scale to any community in the country in real time without the organization having to establish local offices or hire local staff.

AmpleHarvest.org

AmpleHarvest.org's core program is called: **AmpleHarvest.org**. Its work is to reduce hunger and food waste by helping to assure that surplus garden food gets to local food pantries. This involves two parallel work-flows

- a. Adding food pantries to the AmpleHarvest.org search engine so they can be found by the gardeners
- b. Educating home/community gardeners that they can donate food to a local food pantry.

Feds Feed Families

AmpleHarvest.org provides a unique opportunity for employees of the Federal government who happen to be home or community gardeners, to donate fresh food from their garden to a local food pantry, when they participate in the federal government's own food drive called Feds Feed Families.

Faith Fights Food Waste

Faith Fights Food Waste is an educational program from AmpleHarvest.org that helps faith leaders of all faiths learn about food waste and then enables them to do sermons on the issue. Faith Fights Food Waste is unique in that it enables clergy of different faiths to give faith specific sermons all on the same issue and all on the same weekend. The program also supports people of faith who do not attend a house of worship. It is important to note that while this program is for the faith community, AmpleHarvest.org is not a faith based organization nor does it promote religion nor does it promote any particular faith. This program is designed to leverage the power of people's faith convictions to help them end the waste of food without itself engaging in any religious or faith based activity.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

1. ORGANIZATION AND TAX STATUS - CONTINUED

Analyzing Garden Food Loss Surveys

AmpleHarvest.org periodically surveys home/community gardeners to determine both food wastage and the food donation opportunity. This data is analyzed by an outside consultant, and the results are made available to the public on our web site.

Centerpieces for Pantries

AmpleHarvest.org's annual pre-holiday season program educates and encourages people who are hosting or attending a holiday dinner, to replace the normal table top floral arrangement with an arrangement that is made entirely of whole fruits and vegetables. This arrangement is used for ornamental purposes first, and is then donated to a nearby food pantry the following day. This program can also be used year round at other events such as weddings, Bar/Bat Mitzvahs, corporate events, etc.

Crisis Response

AmpleHarvest.org has responded to several crises in the past including the BP oil spill, the Joplin and Tuscaloosa tornadoes, Hurricane Harvey, the 2018-2019 government shutdown. Most recently as a result of the COVID-19 crisis, AmpleHarvest.org has added the capacity for small farmers to donate food they could not bring to market. In all cases, AmpleHarvest.org shifts its nationwide focus to a more local one, working to help more of the gardeners in the impacted area donate more food to pantries to help the local needs of the people.

Keynote Speaker

AmpleHarvest.org's keynote speaker program provides an experienced and inspiring keynote speaker for universities, public events and corporate meetings to speak on the issue of food waste and innovative solutions. In most cases, a complementary colloquium is provided to a local college or university as part of the package.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization 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 the Organization's 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting and Presentation – continued

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.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

The Organization is supported primarily through contributions from public. In accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As permitted by Topic 958, donor-restricted contributions whose restrictions are met in the same year may be reported as unrestricted support.

Donated Items and Services

Donated property and equipment are recorded as support at the estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributions of services are recognized if the services received create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The costs of the program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. 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
Professional fees	Time and effort

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more-likely-than-not be sustained upon examination by taxing authorities. 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 2016. Currently, there are no audits in progress.

Income Taxes

AmpleHarvest.org Inc. is exempt from federal income taxes as an organization described in Section 501(c)(3) of the IRC.

Recently Adopted Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Organization adopted the new guidance as of January 1, 2019. The adoption of the new revenue recognition guidance did not result in any change to the opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019 and did not have any effect on each item included in the Organization's 2019 financial statements.

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted retrospectively in 2019. There was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019.

Accounting Pronouncement Issued but Not Yet Adopted

Accounting for Leases

On February 25, 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, 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, 2020. Management is currently evaluating the impact of this ASU on its financial statements.

AMPLEHARVEST.ORG INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Subsequent Events

The Organization has evaluated subsequent events through November 13, 2020, which is the date the financial statements were available to be issued.

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

3. CASH

As of December 31, 2019, cash consists of the following:

Cash in bank	\$	24,089
Cash on hand		360
	\$	<u>24,449</u>

4. LIQUIDITY AND AVAILABILITY

Management has evaluated whether it is probable that the Organization will not be able to meet its obligation as they become due within one year after the date the financial statements are issued or available to be issued. The Organization has \$24,449 of cash available within one year of the statement of financial position date to meet cash needs for general expenditures. None of this amount is subject to donor or contractual restrictions that make it unavailable for general expenditures within one year of the statement of financial position date.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of December 31, 2019, accounts payable and accrued expenses consist of the following:

Accounts payable	\$	508
Accrued expenses		2,500
Accrued payroll		9,617
	\$	<u>12,625</u>

6. 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 the Organization to reach out directly to their target audience, while the AppNexus Public Service Announcements allows the Organization to spread awareness of AmpleHarvest.org Inc. 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 during the year ended December 31, 2019 amounted to \$478,456, which is recognized as in-kind contributions and education and outreach expenses in the statements of activities and functional expenses.