

AmpleHarvest.org Inc.

Financial Statements
with Independent Auditor's Report

December 31, 2021

AMPLEHARVEST.ORG INC.

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
AmpleHarvest.org Inc.

Opinion

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, 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.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AmpleHarvest.org Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AmpleHarvest.org Inc. 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 AmpleHarvest.org Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AmpleHarvest.org Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Galleras Robinson CPAs, LLP

Cream Ridge, New Jersey
November 11, 2022

AMPLEHARVEST.ORG INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSETS

Cash \$ 223,629

Total Assets \$ 223,629

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses \$ 5,822

Total Liabilities 5,822

Net Assets

Without donor restrictions 217,807

Total Net Assets 217,807

Total Liabilities and Net Assets \$ 223,629

AMPLEHARVEST.ORG INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Support and contributions from public	\$ 365,698	\$ -	\$ 365,698
In-kind contributions	359,813	-	359,813
Other revenues	36,381	-	36,381
Net assets released from restrictions	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
 Total Support and Revenues	 <u>764,392</u>	 <u>(2,500)</u>	 <u>761,892</u>
 EXPENSES			
Program services	576,574	-	576,574
General and administrative	49,169	-	49,169
Fundraising	<u>57,212</u>	<u>-</u>	<u>57,212</u>
 Total Expenses	 <u>682,955</u>	 <u>-</u>	 <u>682,955</u>
 CHANGE IN NET ASSETS	 81,437	 (2,500)	 78,937
 NET ASSETS, BEGINNING OF YEAR	 <u>136,370</u>	 <u>2,500</u>	 <u>138,870</u>
 NET ASSETS, END OF YEAR	 <u>\$ 217,807</u>	 <u>\$ -</u>	 <u>\$ 217,807</u>

AMPLEHARVEST.ORG INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries and wages	\$ 135,282	\$ 29,015	\$ 44,021	\$ 208,318
Payroll taxes	<u>10,607</u>	<u>2,275</u>	<u>3,452</u>	<u>16,334</u>
Total personnel expenses	<u>145,889</u>	<u>31,290</u>	<u>47,473</u>	<u>224,652</u>
Other than Personnel				
Educational and outreach	360,775	-	-	360,775
Professional fees	59,649	7,908	8,805	76,362
Fees, taxes, licenses and permits	-	4,748	-	4,748
Communications and web hosting	2,529	-	-	2,529
Advertising	222	-	-	222
Insurance	-	2,310	-	2,310
Facilities and equipment	6,143	2,125	934	9,202
Transportation and travel	1,367	-	-	1,367
Miscellaneous	<u>-</u>	<u>788</u>	<u>-</u>	<u>788</u>
Total other than personnel expenses	<u>430,685</u>	<u>17,879</u>	<u>9,739</u>	<u>458,303</u>
Total Expenses	<u>\$ 576,574</u>	<u>\$ 49,169</u>	<u>\$ 57,212</u>	<u>\$ 682,955</u>

AMPLEHARVEST.ORG INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 78,937
Adjustments to reconcile change in net assets to net cash from operating activities	
Other revenues - Forgiveness of PPP loan payable	(35,532)
Increase in accounts payable and accrued expenses	<u>1,860</u>
Net cash from operating activities	<u>45,265</u>
 Net change in cash	 45,265
 CASH, BEGINNING OF YEAR	 <u>178,364</u>
 CASH, END OF YEAR	 <u><u>\$ 223,629</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, 2021

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 taxes 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, and 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
Facilities and equipment	Square footage

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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 2018. 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.

Paycheck Protection Program (PPP) Loan Payable

The Organization recognized proceeds from the PPP loan payable as debt in accordance with FASB ASC 470, Debt. For purposes of derecognition of the liability FASB ASC 470-50-15-4 refers to guidance in FASB ASC 405-20. The proceeds from the loan would remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the debtor has been "legally released" or (2) the debtor pays off the loan to the creditor. Interest should be accrued in accordance with the interest method under FASB ASC 835-30. Additional interest at a market rate would not be imputed because transactions where interest rates are prescribed by governmental agencies are secluded from the scope of FASB ASC 835-30 guidance on imputing interest.

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. On June 3, 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which amends the effective dates of the standards on revenue (ASC 606) and leasing (ASC 842) to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the COVID-19 pandemic.

Under ASU 2020-05, FASB deferred the effective date of ASC 842 for private companies, private NFP entities, and public NFP entities. The deferrals apply only if those entities have not yet issued their financial statements (or made their financial statements available for issuance) as of June 3, 2020. For public entities, there are no changes to the effective date; the leasing standard is effective for fiscal years beginning after December 15, 2018, and interim periods therein. For public NFP entities, the leasing standard is effective for fiscal years beginning after December 15, 2019, and interim periods therein.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting Pronouncement Issued but Not Yet Adopted - Continued

Accounting for Leases - Continued

For all other entities, the leasing standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption continues to be permitted in any interim or annual period. If an entity adopts the leasing standard in an interim period, it should reflect such early adoption as of the beginning of the annual period. Management is currently evaluating the impact of this ASU on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 11, 2022, which is the date the financial statements were available to be issued.

3. CASH

As of December 31, 2021, cash consists of the following:

Cash in bank	\$	222,549
Cash on hand		<u>1,080</u>
	\$	<u>223,629</u>

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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 \$223,629 of cash available within one year of the statement of financial position date to meet cash needs for general expenditures.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of December 31, 2021, accounts payable and accrued expenses consist of the following:

Accounts payable	\$	1,688
Accrued expenses		<u>4,134</u>
	\$	<u>5,822</u>

AMPLEHARVEST.ORG INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

6. NET ASSETS

Activity for net assets with donor restrictions during the year ended December 31, 2021 are as follows:

<u>Restricted Purpose</u>	<u>Beginning Balance</u>	<u>Support and Revenue</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Houston pantry	\$ 2,500	\$ -	\$ 2,500	\$ -

7. 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, 2021 amounted to \$359,813, which is recognized as in-kind contributions and education and outreach expenses in the statements of activities and functional expenses.

8. PAYCHECK PROTECTION PROGRAM (PPP) LOAN PAYABLE

On April 7, 2020, the Organization received a forgivable loan amounting to \$35,532 under the Paycheck Protection Program (“PPP”), which the Organization recognized as a financial liability (debt). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 24 weeks as long as the loan proceeds are used for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

No payments are due on the loan for six (6) months (the “Deferment Period”) from the date of first disbursement of the loan. Interest will continue to accrue during the Deferment Period. Borrower must make principal and interest payments every month beginning in the month immediately following the end of the Deferment Period (the “Payment Commencement Date”).

The Small Business Administration (“SBA”) extended deferral period ends either one of two ways: 1: On the date the SBA remits the borrower’s loan forgiveness amount to the lender, or 2: If the borrower did not apply for forgiveness, 10 months after the end of the borrower’s loan forgiveness covered period.

Any portion of the proceeds that is unforgiven is payable over 2 years at an interest rate of 0.98%, with a deferral of payments. It matures on April 7, 2022 and bears an interest rate of 0.98% per annum payable monthly and such payments are deferred for the first six months.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

8. PAYCHECK PROTECTION PROGRAM (PPP) LOAN PAYABLE - CONTINUED

The Organization's use of the proceeds has met the conditions for forgiveness of the loan. Accordingly, the loan was forgiven by the SBA on January 13, 2021. At the time of forgiveness, the loan amounted to \$35,532. The forgiveness of debt is recorded as other revenue in the statement of activities for the year ended December 31, 2021.

9. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in one financial institution, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per institution. From time to time, the Organization's balances may exceed this limit. Management believes the risk in these situations to be minimal.

10. COVID-19 FINANCIAL STATEMENTS IMPACTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's board of directors, management, employees and donors all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position, change in net assets and cash flows is uncertain and the financial statements include no adjustments relating to the effects of this pandemic.