

AmpleHarvest.org Inc.

Financial Statements
with Independent Auditor's Report

December 31, 2022

AMPLEHARVEST.ORG INC.

DECEMBER 31, 2022

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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, 2022, 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, 2022, 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 14, 2023

AMPLEHARVEST.ORG INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

Cash \$ 511,398

Total Assets \$ 511,398

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses \$ 7,364

Net Assets

Without donor restrictions 504,034

Total Liabilities and Net Assets \$ 511,398

AMPLEHARVEST.ORG INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Support and contributions from public	\$ 644,196	\$ -	\$ 644,196
In-kind contributions	303,197	-	303,197
Other revenues	<u>2,220</u>	<u>-</u>	<u>2,220</u>
Total Support and Revenues	<u>949,613</u>	<u>-</u>	<u>949,613</u>
EXPENSES			
Program services	546,171	-	546,171
Management and general	57,523	-	57,523
Fundraising and development	<u>59,692</u>	<u>-</u>	<u>59,692</u>
Total Expenses	<u>663,386</u>	<u>-</u>	<u>663,386</u>
CHANGE IN NET ASSETS	286,227	-	286,227
NET ASSETS, BEGINNING OF YEAR	<u>217,807</u>	<u>-</u>	<u>217,807</u>
NET ASSETS, END OF YEAR	<u>\$ 504,034</u>	<u>\$ -</u>	<u>\$ 504,034</u>

See notes to financial statements.

AMPLEHARVEST.ORG INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services	Support Services		Total
		Management and General	Fundraising and Development	
Salaries and wages	\$ 158,480	\$ 31,422	\$ 35,218	\$ 225,120
Payroll taxes	<u>12,479</u>	<u>2,487</u>	<u>2,850</u>	<u>17,816</u>
Total Personnel Expenses	<u>170,959</u>	<u>33,909</u>	<u>38,068</u>	<u>242,936</u>
Educational and outreach	303,197	-	-	303,197
Professional fees	59,304	11,714	17,999	89,017
Facilities and equipment	3,624	3,624	3,625	10,873
Transportation and travel	6,351	-	-	6,351
Fees, taxes, licenses and permits	-	5,767	-	5,767
Insurance	-	2,342	-	2,342
Communications and web hosting	1,833	-	-	1,833
Office supplies, printing and storage	440	154	-	594
Advertising	463	-	-	463
Miscellaneous	<u>-</u>	<u>13</u>	<u>-</u>	<u>13</u>
Total Other Than Personnel Expenses	<u>375,212</u>	<u>23,614</u>	<u>21,624</u>	<u>420,450</u>
Total Expenses	<u>\$ 546,171</u>	<u>\$ 57,523</u>	<u>\$ 59,692</u>	<u>\$ 663,386</u>

AMPLEHARVEST.ORG INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	286,227
Adjustments to reconcile change in net assets to net cash from operating activities		
Increase in accounts payable and accrued expenses		<u>1,542</u>
Net cash from operating activities		<u>287,769</u>
 NET CHANGE IN CASH		 287,769
 CASH, BEGINNING OF YEAR		 <u>223,629</u>
 CASH, END OF YEAR	\$	 <u><u>511,398</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, 2022

1. ORGANIZATION AND TAX STATUS

AmpleHarvest.org Inc. (the "Organization") was formed in May 2009 and incorporated 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 the waste of surplus garden harvests and therefore hunger and malnutrition in the United States of America by (1) educating the gardening public that they have the opportunity to donate their surplus harvests through programs and media, including the use of web based applications; and (2) providing internet-based resources that enable these gardeners to donate their surplus harvests by connecting them to local food pantries, food banks and food distribution programs in need of fresh produce and food for their hungry clients.

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting and Presentation - Continued

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. As of December 31, 2022, the Organization has no net assets with donor restrictions.

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 Accounting Standards Update "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 Assets and Services

Donated assets and services are recorded at the estimated fair value at the date of donation. Donated assets 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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>
Personnel expenses	Time and effort
Professional fees	Time and effort
Facilities and equipment	Specific identification
Office supplies, printing, and storage	Specific identification

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. 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.

Accounting Pronouncement Recently Adopted

Accounting for Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will enhance presentation and disclosure requirements for contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. This ASU is effective for annual periods beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization adopted the new standard as of January 1, 2022. The adoption of the new standard did not result in any change to the opening net assets with and without donor restrictions as of January 1, 2022 and did not have any effect on each item included in the Organization's financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 14, 2023, which is the date the financial statements were available to be issued.

AMPLEHARVEST.ORG INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

3. 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 \$511,398 of cash available within one year of the statement of financial position date to meet cash needs for general expenditures. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligation come due.

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of December 31, 2022, accounts payable and accrued expenses consist of the following:

Accounts payable	\$	672
Accrued expenses		<u>6,692</u>
	\$	<u>7,364</u>

5. IN-KIND CONTRIBUTIONS

The Organization is a Xandr, Inc. (formerly 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 Xandr Public Service Announcement that 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 Xandr, Inc.'s and Google's estimates, the value of these advertising credits during the year ended December 31, 2022 amounted to \$303,197, which is recognized as in-kind contributions and education and outreach expenses in the statements of activities and functional expenses.

6. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in one financial institution, which are insured by the Federal Deposit Insurance Corporation 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.

7. RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains as a source of business uncertainty. The extent of the impact of COVID-19 on the Organization's operations and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing economic environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19's impact on its operations in future periods. The Organization's performance in future periods may be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Organization continues to monitor evolving economic conditions and the actual and potential impacts on its financial position and results of operations. It should be noted that since its inception, the Organization has operated as a virtual enterprise with all staff working full time from their home offices. Their experience in virtual and physically remote operations greatly reduced the risk of past and future interruptions of operations due to the pandemic. Furthermore, the programs are virtual and enabled gardeners to grow, harvest, and donate their surplus harvests without significant risk of exposure to COVID.