

AMERICA'S GROW-A-ROW
(a not-for-profit corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

**AMERICA'S GROW-A-ROW
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DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITOR'S REPORT

Golden Crest Corporate Center
2277 State Highway #33, Suite 408, Hamilton, NJ 08690
Tel: (609) 807-2200 Fax: (609) 981-7373

To the Board of Trustees,
America's Grow-A-Row,
Pittstown, New Jersey:

We have audited the accompanying financial statements of America's Grow-A-Row (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 organization'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 organization'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.



INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of America's Grow-A-Row as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary schedules of functional expenses and donated services and materials for the years ended December 31, 2016 and 2015 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or any other assurance on it.



LEAR & PANNEPACKER, LLP
CERTIFIED PUBLIC ACCOUNTANTS
PRINCETON, NEW JERSEY

March 30, 2017

AMERICA'S GROW-A-ROW
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
Cash	\$ 688,371	\$ 401,260
Certificate of deposit	150,302	150,302
Grants and pledges receivable	161,289	62,500
Prepaid expenses and other assets	12,797	13,797
Land, property and equipment, net	2,754,111	2,789,040
Intangible assets, net	<u>383</u>	<u>433</u>
TOTAL ASSETS	<u>\$ 3,767,253</u>	<u>\$ 3,417,332</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 16,436	\$ 28,211
Credit cards payable	730	1,299
Accrued payroll and payroll taxes	13,020	9,263
Deferred revenue and refundable advances	31,000	8,750
Long-term debt	<u>1,411,691</u>	<u>1,486,248</u>
 Total Liabilities	 <u>1,472,877</u>	 <u>1,533,771</u>
Net Assets:		
Unrestricted	1,765,376	1,009,102
Temporarily restricted	529,000	149,459
Permanently restricted	<u>--</u>	<u>725,000</u>
 Total Net Assets	 <u>2,294,376</u>	 <u>1,883,561</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,767,253</u>	 <u>\$ 3,417,332</u>

AMERICA'S GROW-A-ROW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>				
Contributions	\$ 910,989	\$ 479,000	\$..	\$ 1,389,989
Special events, net	118,854	..	..	118,854
Donated produce, net of costs	100,000	..	..	100,000
Contribution - mortgage forgiveness	40,000	..	..	40,000
Donated services and materials	23,795	..	..	23,795
Interest income	4,585	..	..	4,585
Other income	<u>54</u>	<u>..</u>	<u>..</u>	<u>54</u>
Total Support and Revenue before Net Assets Released from Restrictions	1,198,277	479,000	..	1,677,277
Net assets released from restrictions	<u>99,459</u>	<u>(99,459)</u>	<u>..</u>	<u>..</u>
Total Support and Revenue	<u>1,297,736</u>	<u>379,541</u>	<u>..</u>	<u>1,677,277</u>
<u>EXPENSES:</u>				
Program services	1,068,599	..	..	1,068,599
Management and general	71,573	..	..	71,573
Fundraising	<u>126,290</u>	<u>..</u>	<u>..</u>	<u>126,290</u>
Total Expenses	<u>1,266,462</u>	<u>..</u>	<u>..</u>	<u>1,266,462</u>
CHANGE IN NET ASSETS	31,274	379,541	..	410,815
NET ASSETS – BEGINNING OF YEAR	1,009,102	149,459	725,000	1,883,561
TRANSFER BETWEEN ACCOUNTS	<u>725,000</u>	<u>..</u>	<u>(725,000)</u>	<u>..</u>
NET ASSETS – END OF YEAR	<u>\$ 1,765,376</u>	<u>\$ 529,000</u>	<u>\$..</u>	<u>\$ 2,294,376</u>

See Notes to Financial Statements

**AMERICA'S GROW-A-ROW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>				
Contributions	\$ 1,311,295	\$ 174,000	\$ --	\$ 1,485,295
Donated produce, net of costs	365,144	--	--	365,144
Contribution restricted for land use	--	--	215,000	215,000
Special events, net	60,719	--	--	60,719
Donated services and materials	30,479	--	--	30,479
Other Income	2,067	--	--	2,067
Interest income	<u>647</u>	<u>--</u>	<u>--</u>	<u>647</u>
Total Support and Revenue before Net Assets Released from Restrictions	1,770,351	174,000	215,000	2,159,351
Net assets released from restrictions	<u>138,406</u>	<u>(138,406)</u>	<u>--</u>	<u>--</u>
Total Support and Revenue	1,908,757	35,594	215,000	2,159,351
<u>EXPENSES:</u>				
Program services	1,348,697	--	--	1,348,697
Management and general	66,369	--	--	66,369
Fundraising	<u>143,865</u>	<u>--</u>	<u>--</u>	<u>143,865</u>
Total Expenses	<u>1,558,931</u>	<u>--</u>	<u>--</u>	<u>1,558,931</u>
CHANGE IN NET ASSETS	349,826	35,594	215,000	600,420
NET ASSETS – BEGINNING OF YEAR	659,276	363,865	260,000	1,283,141
TRANSFER BETWEEN ACCOUNTS	<u>--</u>	<u>(250,000)</u>	<u>250,000</u>	<u>--</u>
NET ASSETS – END OF YEAR	<u>\$ 1,009,102</u>	<u>\$ 149,459</u>	<u>\$ 725,000</u>	<u>\$ 1,883,561</u>

See Notes to Financial Statements

AMERICA'S GROW-A-ROW
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 410,815	\$ 600,420
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	76,106	60,077
Accrued interest on certificate of deposit	--	(302)
Recognition of contribution due to forgiveness of debt	(40,000)	(40,000)
Change in operating assets and liabilities:		
Grants and pledges receivable	(98,789)	(17,500)
Prepaid expenses and other assets	1,000	(7,068)
Accounts payable and accrued expenses	(11,775)	12,067
Credit cards payable	(569)	(1,934)
Accrued payroll and payroll taxes	3,757	9,263
Deferred revenue and refundable advances	<u>22,250</u>	<u>750</u>
Net Cash Provided By Operating Activities	362,795	615,773
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of certificate of deposit	--	(150,000)
Acquisition of property and equipment	<u>(41,127)</u>	<u>(1,590,762)</u>
Net Cash Used In Investing Activities	(41,127)	(1,740,762)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from long-term debt	--	975,000
Principal repayment of long-term debt	<u>(34,557)</u>	<u>(8,752)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(34,557)</u>	<u>966,248</u>
Net Change in Cash	287,111	(158,741)
Cash at Beginning of Year	<u>401,260</u>	<u>560,001</u>
Cash at End of Year	<u>\$ 688,371</u>	<u>\$ 401,260</u>
<u>Supplementary Disclosures of Cash Flow Information:</u>		
Cash paid during the year for interest	<u>\$ 39,177</u>	<u>\$ 16,138</u>
<u>Non-Cash Transactions:</u>		
Forgiveness of debt (See Note 6)	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Donation of equipment and construction in process	<u>\$ 5,152</u>	<u>\$ 5,900</u>

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – Summary of Significant Accounting Policies:

Significant accounting policies followed by America's Grow-A-Row in the preparation of the accompanying financial statements are summarized below:

Nature of the Organization

America's Grow-A-Row ("the Organization") was organized under the laws of the State of New Jersey on May 6, 2008. The Organization's mission is to positively impact as many lives as possible through a volunteer effort of planting, picking, rescuing, and delivering free fresh produce. The operations of the Organization are performed in Pittstown and Milford in Hunterdon County, New Jersey.

America's Grow-A-Row grows and gleans fresh, healthy fruits and vegetables that are then donated to hunger relief agencies throughout the State of New Jersey and distributed at our Free Farm Markets in impoverished cities. The Organization also educates people of all ages about healthy eating and nutrition, the hunger crisis, and agriculture. The purpose of the Organization's programs is to consistently get fresh, healthy produce into the hands and onto the plates of those suffering from hunger and/or living in "food deserts" – areas that lack access to fresh, affordable produce – while providing high quality, effective, hands-on education programs for the people we serve as well as our volunteers.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization uses the following classifications to distinguish among restrictions:

Unrestricted Net Assets

Unrestricted net assets include all contributions received without donor restrictions, and all revenues and expenses. Unrestricted net assets may be used to the discretion of management to support the mission of the Organization and consists of net assets accumulated from the results of operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets include contributions that have donor-imposed restrictions that limit the use of the donated assets. When a donor's restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity. Income from the assets held is available for general operations or specific purposes, in accordance with donor stipulations.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – Summary of Significant Accounting Policies (continued):

Cash

Cash consists of checking and savings accounts. For purposes of the financial statements, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at December 31, 2016 and 2015.

Certificate of Deposit

A certificate of deposit with an initial maturity longer than three months is classified separately from cash on the accompanying financial statements. This certificate of deposit has a fair value that approximates its cost. This investment is used as collateral on a mortgage note (Note 6).

Grants and Pledges Receivable

Pledges and grants receivable consists of amounts contributed from donors. The receivables are reviewed periodically to ensure that assets are not overstated due to lack of collectibility. The Organization considers the amounts reported to be substantially collectible as of the Statement of Financial Position date; accordingly, no allowance for doubtful amounts has been recorded. At December 31, 2016, all receivables are due within one year.

Land, Property and Equipment

Acquisitions, improvements, and replacements of major assets are capitalized at cost, or if donated, at the approximate fair value at the date of donation. Repairs which neither increase the value of the asset nor extend its useful life are expensed as incurred. As assets are sold or retired, the cost of accumulated depreciation is removed from the accounts and any gain or loss is recognized. Depreciation is computed using the straight-line method at rates based on the estimated useful life of the asset, which range from 5 to 15 years. Assets with indefinite lives, such as land, are not depreciated but instead reviewed annually for impairment.

Intangibles

During 2009, the Organization obtained legal rights for a trademark. This intangible asset is being amortized over the estimated useful life of the asset, which is 15 years.

Revenue Recognition

Contribution revenue and grant support are the Organization's main sources of revenue. The Organization records contributions, including unconditional promises to give, as revenues in the period received or pledged, at their fair values. Support received is recognized as unrestricted unless specifically restricted by the donor in which case it is recognized as described on the previous page.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – Summary of Significant Accounting Policies (continued):

Contributed Services and Materials

The Organization recognizes donated services and materials at their fair value on the date of donation to the extent that these items are able to be reasonably valued and provide tangible benefit to the Organization.

The estimated fair value of donated produce is based on the average wholesale value per pound of donated produce as determined by an independent annual survey commissioned by Feeding America, a national hunger relief, public policy and advocacy organization. During 2016 and 2015, Feeding America valued donated produce at \$0.84 and \$0.68 per pound, respectively.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and otherwise would be purchased by the Organization.

In addition, members of the Organization and other individuals have contributed numerous hours of their time on a volunteer or nominally paid basis to develop and support various programs and fundraising activities. The value of the contributed time is not reflected in these financial statements since they do not meet the criteria for recognition under general accepted accounting principles.

Advertising Costs:

The Organization expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2016 and 2015 amounted to \$6,915 and \$7,649, respectively.

Income Taxes

America's Grow-A-Row has been classified by the Internal Revenue Service ("IRS") as an organization described under section 501(c)(3) of the Internal Revenue Code ("the Code") as exempt from federal income taxes under section 501(a) of the Code.

ASC Topic 740 Accounting for Uncertainty in Income Taxes clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The guidance also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

The Organization's policy is to account for interest and penalties related to unrecognized tax benefits as a component of income tax expense.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts previously reported in the financial statements for the year ended December 31, 2015 have been reclassified to conform to the December 31, 2016 classifications. Net assets previously reported as permanently restricted have been determined to be unrestricted and have been restated accordingly.

Note 2 – Fair Value Measurements:

The valuation techniques required by generally accepted accounting principles are based upon observable and unobservable inputs. Observable inputs include market data obtained from independent sources, while unobservable inputs include our market assumptions. These three types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table sets forth, by level, the Organization's investments at fair value, within the fair value hierarchy as of December 31, 2016 and 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2016</u>				
Certificate of deposit	\$ _____	\$ <u>150,302</u>	\$ _____	\$ <u>150,302</u>
Total	\$ _____	\$ <u>150,302</u>	\$ _____	\$ <u>150,302</u>
<u>December 31, 2015</u>				
Certificate of deposit	\$ _____	\$ <u>150,302</u>	\$ _____	\$ <u>150,302</u>
Total	\$ _____	\$ <u>150,302</u>	\$ _____	\$ <u>150,302</u>

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 3 – Land, Property and Equipment:

The costs and accumulated depreciation of land, property and equipment are summarized at December 31 as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 2,302,698	\$ 2,299,117
Land improvements and outbuildings	417,141	399,012
Farm equipment	221,574	208,472
Office equipment	<u>23,765</u>	<u>17,450</u>
Total Land, Property and Equipment	2,965,178	2,924,051
Less: Accumulated Depreciation	(211,067)	(135,011)
Land, property and equipment, net	<u>\$ 2,754,111</u>	<u>\$ 2,789,040</u>

Depreciation expense amounted to \$76,056 and \$60,027 for the years ended December 31, 2016 and 2015, respectively.

Note 4 – Intangible Assets:

The costs and accumulated amortization of intangible assets are summarized at December 31 as follows:

	<u>2016</u>	<u>2015</u>
Trademark	\$ 750	\$ 750
Less: Accumulated Amortization	(367)	(317)
Intangibles Assets, Net	<u>\$ 383</u>	<u>\$ 433</u>

Amortization expense amounted to \$50 for each of the years ended December 31, 2016 and 2015.

Note 5 – Short-Term Borrowings:

In December 2016, the Organization obtained a line of credit with Unity Bank in the amount of \$75,000. The line is unsecured. The line of credit accrues interest at the bank's prime rate of interest plus .5% (4.25% at December 31, 2016). This line of credit replaced an unsecured line of credit from PNC Bank in the amount of \$75,000 which accrued interest annually at the bank's prime rate of interest plus 2.35%. There were no outstanding balances at December 31, 2016 and 2015 on these lines of credit.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 6 – Long-Term Debt:

Long-term debt consists of the following at December 31:

	<u>2016</u>	<u>2015</u>
Private mortgage payable, original balance of \$600,000, maturing June 2, 2025 with debt forgiveness in the sum of \$40,000 per annum accruing no interest, secured by land.	\$ 360,000	\$ 400,000
Private mortgage payable maturing June 2, 2025 with interest at a rate of 5.0% per annum secured by land. Annual accrued interest payments are due at the first of the Organization's fiscal year, with a final balloon payment equal to the sum of all principal outstanding due at the mortgage's date of maturity.	120,000	120,000
Real estate mortgage from Farm Credit East ACA, payable in monthly installments of \$5,654, including interest at the bank's variable rate of 3.5% at December 31, 2016. The loan matures on September 1, 2035 and is secured by land and the Organization's Certificate of Deposit.	<u>931,691</u>	<u>966,248</u>
Total Long-Term Debt	<u>\$ 1,411,691</u>	<u>\$ 1,486,248</u>

Aggregate maturities due within the next five years ending December 31, are as follows:

2017	\$	75,760
2018		77,034
2019		78,253
2020		79,639
2021		81,131
Thereafter		<u>1,019,874</u>
		<u>\$ 1,411,691</u>

The mortgage payable with an original balance of \$600,000 contains an annual forgiveness of indebtedness clause. On an annual basis, if the Organization continues to meet the requirements in the following paragraph, \$40,000 is forgiven by the lender. The written clause represents a *conditional promise to give*, which under U.S. generally accepted accounting principles requires annual recognition as each condition is fulfilled by the Organization. Annual forgiveness of indebtedness by the lender is recorded as contribution income by the Organization.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 6 – Long-Term Debt (Continued):

Both private mortgages require the Organization to maintain their charitable purpose for which their 501(c)(3) status was granted, insurance on the property, continuing use of the land so the property does not become fallow, compliance with any rule and regulation relating to the use and/or occupancy of the property, and compliance with any deed restrictions imposed on the property. Failure to meet any one of these contingencies will result in the lender to declare the Organization in default of both notes therein, and will trigger a 5% interest provision on the non-interest bearing note. At December 31, 2016, the Organization was in compliance with these requirements.

Note 7 – Temporarily Restricted Net Assets:

Temporarily restricted net assets consists of the following at December 31:

	<u>2016</u>	<u>2015</u>
Hunger relief programs	\$ 10,000	\$ 13,000
Fresh produce initiative	135,000	17,500
General operating support – 2016	..	32,500
Equipment purchases	51,000	..
Capital improvements	..	25,459
Expansion of Pennsylvania farm programs	125,000	50,000
Education center improvements	64,000	11,000
General operating support – 2017	<u>144,000</u>	<u>..</u>
Total	\$ <u>529,000</u>	\$ <u>149,459</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Hunger relief programs	\$ 13,000	\$ 10,000
Camden free market program	..	10,000
Fresh produce initiative	17,500	4,000
General operating support – 2015	..	19,500
Equipment purchases	..	850
Lease for purchase project	..	94,056
Capital improvements	25,459	..
Education center improvements	11,000	..
General operating support – 2016	<u>32,500</u>	<u>..</u>
Total	\$ <u>99,459</u>	\$ <u>138,406</u>

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 8 – Concentration of Risk:

The Organization places its cash and cash equivalents in high credit quality financial institutions. At times, cash balances may be in excess of the FDIC insurance limit. The Organization has not experienced any losses and believes it is not exposed to any significant credit risk on such funds.

Note 9 – Compensated Absences:

Employees of the Organization are entitled to paid vacation days off, depending on job classification, length of service and other factors. The Organization does not allow for carryover of any absences, thus no liability has been recorded in the accompanying financial statements.

Note 10 – Donated Produce, Services and Materials:

Donated produce includes produce gleaned from farmland, and food donations from local supermarkets and farm market channels. The value of the produce donated for the years ended December 31, 2016 and 2015 was \$1,003,614 and \$826,758, respectively. The value of produce donated to the Organizations was \$100,000 and \$365,144 in 2016 and 2015, respectively. In 2016, the Organization changed its method of estimating the value of donated produce. The Organization believes that the new methodology is preferable as it provides a more accurate estimate of the actual value of this produce.

The Organization received donated services and materials in the form of packing materials, payroll services and land improvements and outbuildings. The Organization recognized a total of \$23,795 and \$30,479 in donated services and materials for the years ended December 31, 2016 and 2015, respectively.

The Organization also receives assistance from individuals on a volunteer basis to support its activities. During the year ended December 31, 2016, management estimates 7,179 individuals volunteered for the Organization and provided over 19,000 hours of their time to carry out the various programs and fundraising activities of the Organization. In accordance with accounting principles general accepted in the United States, the value of the contributed time is not reflected on the accompanying financial statements.

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 11 – Special Events:

The Organization holds various events to help raise funds and feed the hungry. The funds raised are used to help plant, maintain and harvest produce to be donated to those suffering from hunger. Revenue and expenses from special events consist of the following:

	<u>2016</u>		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Farm to Fork	\$ 163,912	\$ 50,910	\$ 113,002
Pennies for Produce	6,715	120	6,595
Barn Dinner	4,120	4,859	(739)
Other	<u>935</u>	<u>939</u>	<u>(4)</u>
Total	<u>\$ 175,682</u>	<u>\$ 56,828</u>	<u>\$ 118,854</u>

	<u>2015</u>		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Farm to Fork	\$ <u>96,671</u>	\$ <u>35,952</u>	\$ <u>60,719</u>
Total	<u>\$ 96,671</u>	<u>\$ 35,952</u>	<u>\$ 60,719</u>

Note 12 – Subsequent Events:

The Organization has evaluated subsequent events through March 30, 2017, which is the date the financial statements were issued and has not noted any events to be disclosed.

AMERICA'S GROW-A-ROW
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 307,859	\$ 30,670	\$ 99,174	\$ 437,703
Farm supplies and materials	215,730	..	..	215,730
Farming wages	177,540	..	..	177,540
Produce	100,000	..	..	100,000
Depreciation and amortization	76,106	..	..	76,106
Professional fees	34,438	26,137	8,191	68,766
Payroll taxes	41,757	2,638	8,532	52,927
Insurance	33,078	3,466	2,732	39,276
Interest expense	39,177	..	..	39,177
School education materials	13,870	..	..	13,870
Office expense	6,722	1,746	3,474	11,942
Utilities	10,106	..	..	10,106
Employee benefits	1,427	4,848	1,427	7,702
Advertising costs	3,270	885	2,760	6,915
Repairs and maintenance	4,199	..	..	4,199
Licenses and taxes	2,735	921	..	3,656
Dues and subscriptions	505	..	..	505
Professional development	60	85	..	145
Bank charges	..	128	..	128
Volunteer events	..	49	..	49
Travel	<u>20</u>	<u>..</u>	<u>..</u>	<u>20</u>
Total Expenses	<u>\$ 1,068,599</u>	<u>\$ 71,573</u>	<u>\$ 126,290</u>	<u>\$ 1,266,462</u>

AMERICA'S GROW-A-ROW
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 267,170	\$ 24,300	\$ 100,404	\$ 391,874
Produce	365,144	--	--	365,144
Farm supplies and materials	283,112	--	--	283,112
Farming wages	177,476	513	513	178,502
Professional fees	37,790	28,746	25,934	92,470
Depreciation and amortization	60,077	--	--	60,077
Payroll taxes	40,346	1,785	8,671	50,802
Insurance	28,054	1,193	556	29,803
Land and equipment rental	24,554	--	--	24,554
Interest expense	16,138	--	--	16,138
Utilities	12,912	440	--	13,352
Office expense	6,159	4,104	2,263	12,526
School education materials	10,902	--	--	10,902
Advertising costs	2,769	1,767	3,113	7,649
Licenses and taxes	6,584	675	100	7,359
Volunteer events	3,763	400	1,428	5,591
Repairs and maintenance	3,092	--	--	3,092
Employee benefits	2,068	--	839	2,907
Bank charges	--	2,446	--	2,446
Dues and subscriptions	251	--	44	295
Professional development	185	--	--	185
Travel	<u>151</u>	<u>--</u>	<u>--</u>	<u>151</u>
Total Expenses	<u>\$ 1,348,697</u>	<u>\$ 66,369</u>	<u>\$ 143,865</u>	<u>\$ 1,558,931</u>

See Independent Auditor's Report

AMERICA'S GROW-A-ROW
SCHEDULES OF DONATED SERVICES AND MATERIALS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Produce	\$ 100,000	\$ 365,144
Farm supplies and materials	16,000	16,750
Professional fees	2,643	8,829
Land improvements and outbuildings	<u>5,152</u>	<u>4,900</u>
Total	<u>\$ 123,795</u>	<u>\$ 395,623</u>