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

FINANCIAL STATEMENTS

DECEMBER 31, 2013

AMERICA'S GROW-A-ROW
CONTENTS TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

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, 2013 and 2012, 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, 2013 and 2012, 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

The accompanying supplementary statements of functional expenses and schedules of donated use of facilities, services and materials for the years ended December 31, 2013 and 2012 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

LEAR & PANNEPACKER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

July 16, 2014

AMERICA'S GROW-A-ROW
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

ASSETS	2013	2012
Current Assets:		
Cash	$ 228,469	$ 230,872
Cash restricted to land and capital improvements	54,150	--
Grants receivable	183,593	18,000
Prepaid expenses and other current assets	8,563	5,939
Total Current Assets	474,775	254,811
Land, Property and Equipment, Net	1,127,210	961,891
Other Assets:		
Intangible assets, net	533	583
Total Other Assets	533	583
TOTAL ASSETS	$ 1,602,518	$ 1,217,285

LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of long-term debt	$ 40,000	$ 40,000
Accounts payable and accrued expenses	22,697	24,295
Credit cards payable	950	2,497
Deferred revenue	10,000	--
Total Current Liabilities	73,647	66,792
Long-Term Debt, Net of Current Portion	560,000	600,000
Net Assets:		
Unrestricted	414,141	263,165
Temporarily restricted	334,730	107,328
Permanently restricted	220,000	180,000
Total Net Assets	968,871	550,493
TOTAL LIABILITIES AND NET ASSETS	$ 1,602,518	$ 1,217,285

See Notes to Financial Statements

AMERICA'S GROW-A-ROW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Donated produce	$ 536,442	$ --	$ --	$ 536,442
Contributions	462,097	547,185	--	1,009,282
Donated use of facilities, services and materials	41,615	--	--	41,615
Contribution restricted for land use	--	--	40,000	40,000
Rental income	39,300	--	--	39,300
Interest income	39	--	--	39
Total Support and Revenue before Net Assets Released from Restrictions	1,079,493	547,185	40,000	1,666,678
Net assets released from restrictions	319,783	(319,783)	--	--
Total Support and Revenue	1,399,276	227,402	40,000	1,666,678
EXPENSES:				
Program services	1,074,245	--	--	1,074,245
Management and general	34,095	--	--	34,095
Fundraising	139,960	--	--	139,960
Total Expenses	1,248,300	--	--	1,248,300
CHANGE IN NET ASSETS	150,976	227,402	40,000	418,378
NET ASSETS – BEGINNING OF YEAR	263,165	107,328	180,000	550,493
NET ASSETS – END OF YEAR	$ 414,141	$ 334,730	$ 220,000	$ 968,871

See Notes Financial Statements

AMERICA'S GROW-A-ROW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Donated produce	$ 232,758	$ --	$ --	$ 232,758
Contributions	345,674	101,500	--	447,174
Donated use of facilities, services and materials	25,574	--	--	25,574
Contribution restricted for land use	--	--	40,000	40,000
Rental income	39,300	--	--	39,300
Interest income	52	--	--	52
Special events (net)	9,343	2,315	--	11,658
Gain on sale of property and equipment	300	--	--	300
Total Support and Revenue before Net Assets Released from Restrictions	653,001	103,815	40,000	796,816
Net assets released from restrictions	92,205	(92,205)	--	--
Total Support and Revenue	745,206	11,610	40,000	796,816
EXPENSES:				
Program services	631,553	--	--	631,553
Management and general	29,087	--	--	29,087
Fundraising	41,186	--	--	41,186
Total Expenses	701,826	--	--	701,826
CHANGE IN NET ASSETS	43,380	11,610	40,000	94,990
NET ASSETS – BEGINNING OF YEAR	219,785	95,718	140,000	455,503
NET ASSETS – END OF YEAR	$ 263,165	$ 107,328	$ 180,000	$ 550,493

See Notes Financial Statements

AMERICA'S GROW-A-ROW
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 418,378	$ 94,990
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	22,473	14,983
Gain on disposal of property and equipment	--	(300)
Recognition of contribution due to forgiveness of debt	(40,000)	(40,000)
Change in operating assets and liabilities:		
Grants receivable	(165,593)	32,660
Prepaid expenses	(2,624)	1,046
Accounts payable and accrued expenses	(1,598)	10,360
Credit cards payable	(1,547)	1,211
Deferred revenue	10,000	--
Net Cash Provided By Operating Activities	239,489	114,950
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	--	300
Acquisition of property and equipment	(179,647)	(51,750)
Increase in construction in process	(8,095)	(11,905)
Net Cash Used In Investing Activities	(187,742)	(63,355)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	49,680	7,450
Repayment of line of credit	(49,680)	(28,477)
Net Cash Used In Financing Activities	--	(21,027)
Net Change in Cash	51,747	30,568
Cash at Beginning of Year	230,872	200,304
Cash at End of Year	$ 282,619	$ 230,872
Supplementary Disclosures of Cash Flow Information:		
Cash paid for the years for interest	$ 6,059	$ 6,919
Non-Cash Transactions:		
Forgiveness of debt (See Note 6)	$ 40,000	$ 40,000
Donation of equipment and construction in process	$ 22,930	$ --

See Notes to Financial Statements

AMERICA'S GROW-A-ROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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, New Jersey.

Feeding the hungry, while always being the principle foundation of this Organization, is paralleled by the desire to instill a mindset of consistently serving those in need into the hearts and minds of children. The Organization hopes that the life-long lessons experienced through their program will plant a seed into children's hearts, that will grow and mature, thereby teaching and preparing the youth to become solid community citizens. America's Grow-a-Row challenges young volunteers to spend innumerous hours nurturing fields of produce, only to give it away to those who need it more. The program encourages youth to work together as a team to achieve ambitious goals for the good of society.

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.

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

Basis of Presentation (continued)

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.

Cash

Cash consists of checking and money market 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. There were no cash equivalents at December 31, 2013 and 2012, respectively.

Pledges and Grants 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.

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 purchased and acquired 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.

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

Contributed Use of Facilities, Services and Materials

The Organization recognizes donated use of facilities, 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 2013, Feeding America valued donated produce at $0.77 per pound.

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

Donated use of facilities are recognized and measured at fair value based upon rental costs for similar facilities.

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.

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. The Organization is subject to a tax on income from any unrelated business.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required, beginning in the fiscal year ended December 31, 2010. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

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, 2012 have been reclassified to conform to the December 31, 2013 classifications.

Note 2 – Grants Receivable:

Grants receivable consists of the following at December 31:

	2013	2012
Robert Wood Johnson Foundation	$ 125,000	$ --
Community Food Bank Foundation	58,593	--
Other Grantors	--	18,000
Total Grants Receivable	**$ 183,593**	**$ 18,000**

In April 2013, the Organization was awarded a grant from the Robert Wood Johnson Foundation in the amount of $250,000 that would allow for the hiring of a full-time Director of Development as well as cover other varied expenses to drive programming growth for the Organization. The grant period is April 15, 2013 through October 14, 2015. Management anticipates receipt of the amount receivable during 2014.

In April 2013, the Organization was awarded a grant from the Community Food Bank Foundation for the sole purpose of the lease for purchase project (See Note 14 – Commitments). The grant award is $113,185 and has a two-year grant period. Management anticipates receipt of the amount receivable during 2014.

Note 3 – Land, Property and Equipment:

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

	2013	2012
Land	$ 862,344	$ 842,799
Land Improvements and Outbuildings	214,371	70,720
Farm Equipment	73,908	57,457
Construction in Process	20,000	11,905
Total Land, Property and Equipment	1,170,623	982,881
Less: Accumulated Depreciation	(43,413)	(20,990)
Land, Property and Equipment, Net	**$ 1,127,210**	**$ 961,891**

Depreciation expense amounted to $22,423 and $14,933 for the years ended December 31, 2013 and 2012, respectively.

During the year ended December 31, 2013, the Organization incurred and paid land closing costs related to legal costs and related acquisition expenditures for the lease agreement further discussed in Note 14 – Commitments of $19,545 which it has capitalized. Amortization of the closing costs will occur when the Organization takes title of the property upon payment in full of the option price.

Note 4 – Intangible Assets:

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

	2013	2012
Trademark	$ 750	$ 750
Less: Accumulated Amortization	(217)	(167)
Intangibles Assets, Net	**$ 533**	**$ 583**

Amortization expense amounted to $50 for the years ended December 31, 2013 and 2012, respectively.

Note 5 – Short-Term Borrowings:

On December 6, 2010, the Organization obtained an unsecured line of credit from PNC Bank in the amount of $50,000. The line of credit accrues interest annually at 7.0% and will mature on November 26, 2014. The line of credit has been obtained to cover operating expenses and capital expenditures incurred by the Organization. The outstanding balance at December 31, 2013 and 2012 was $0, respectively.

Note 6 – Long-Term Debt:

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

	2013	2012
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.	$ 480,000	$ 520,000
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
Total Long-Term Debt	600,000	640,000
Less: Current Portion of Long-Term Debt	(40,000)	(40,000)
Long-Term Debt, Net of Current Portion	**$ 560,000**	**$ 600,000**

Aggregate maturities due within the next five years ending December 31, are as follows: 2014 - $40,000; 2015 - $40,000; 2016 - $40,000; 2017 - $40,000; 2018 and thereafter - $440,000.

The Organization has financed the acquisition of land with two separate debt instruments as shown above, and a downpayment of $100,000. The mortgage payable, with an original balance of $600,000, contains an annual forgiveness of indebtedness clause, further discussed below.

For both mortgages, the Organization is required 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 note.

The written clause represents a *conditional promise to give*, which under generally accepted accounting principles requires annual recognition as each condition is fulfilled by the Organization. Each $40,000 forgiveness of indebtedness the lender makes will result in a permanently restricted contribution to the Organization as the forgiveness is directly related to the principal of the note collateralized by the related land.

Note 7 – Temporarily Restricted Net Assets:

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

	2013	2012
Driveway expansion	$ --	$ 65,328
General operating support – 2013	--	42,000
Capital improvements	46,650	--
General operating support – 2014	76,500	--
Electric and Well Pump Installation	7,500	--
Lease for Purchase Project	72,339	--
Robert Wood Johnson Foundation Program Grant	131,741	--
Total	**$ 334,730**	**$ 107,328**

Note 8 – Permanently Restricted Net Assets:

During the years ended December 31, 2013 and 2012, the Organization received a $40,000 contribution restricted for the acquisition of a parcel of land, as identified in Note 3 – Land, Property and Equipment. The permanently restricted net asset balance as of December 31, 2013 and 2012 was $220,000 and $180,000, respectively.

Note 9 – Concentration of Risk:

During the years ended December 31, 2013 and 2012, the Organization maintained funds in excess of the FDIC insured maximum. The Organization has not experienced any losses and believes it is not exposed to any significant credit risk on such funds.

Note 10 – Related Party Transactions:

The Organization entered into an agricultural services agreement on May 19, 2011 with a board member of the Organization for use of the Organization's land in exchange for general consulting services. The board member has been granted the right to use fifty percent of the farmable portion of the real property for agricultural purposes only. The consulting services to be provided in exchange include, without limitation, guidance and instruction relating to general crop production; fertilizer, seed, insecticide and herbicide use; soil sampling; crop rotation, tillage and irrigation and assistance with the Organization's retention of qualified agricultural personnel. Management estimates the value of the consulting services is $39,300 for the years ended December 31, 2013 and 2012, respectively, based on fair market value rates for similar services in the local geographical area. Accordingly, the consulting services are reflected on the Statement of Functional Expenses as farm management services and the revenue is reflected as rental income on the Statement of Activities. See Note 14 – Commitments for obligations under this agreement.

Note 10 – Related Party Transactions (continued):

During 2013, the Organization executed a contract for the production of pounds of produce and selection of vegetables for the 2013 harvest season with a member of the board, and their spouse, whom are the owners of Peaceful Valley Orchards ("PVO"). PVO will be responsible for planting, maintenance and transportation of produce production. The agreement called for a total of 600,000 pounds of produce to be harvested for the Organization, at a fee of $0.18 per pound. The total amount paid to PVO for the 2013 agreement is $108,000 and is reflected on the Statement of Functional Expenses as farming supplies and materials.

Note 11 – 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 12 – Donated Produce and Use of Facilities, Services and Materials:

Donated produce includes produce gleaning from farmland, and food donations from local supermarkets and farm market channels. The value of the produce donated for the years ended December 31, 2013 and 2012 was $662,096 and $282,210. The Organization incurred farming supplies and materials expenses related to the donated produce in the amount of $125,654 and $49,452 for the years ended December 31, 2013 and 2012, respectively. Therefore, the donated produce recognized by the Organization in 2013 and 2012 is $536,442 and $232,758, respectively.

The Organization received donated facilities, services and materials in the form of venues and supplies for special events, payroll services and land improvements. The Organization recognized a total of $41,615 and $25,574 in donated facilities, services and materials for the years ended December 31, 2013 and 2012, respectively.

Refrigerated space contributed by a board member of the Organization for storing crops is included in the amount for donated facilities, services and materials. The value of the space donated for the years ended December 31, 2013 and 2012 has been recognized at $0 and $6,164, respectively.

The Organization also receives assistance from individuals on a volunteer basis to support its activities. During the year ended December 31, 2013, management estimates approximately 3,000 individuals volunteered for the Organization and provided over 8,980 hours of their time to carry out the various programs and fundraising activities of the Organization. General accepted accounting principles do not require the value of the contributed time to be reflected on the financial statements.

Note 13 – 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:

	2013			2012		
	Revenues	Expenses	Net Income	Revenues	Expenses	Net Income
Farm to Fork	$ --	$ --	$ --	$ 63,276	$ 51,618	$ 11,658
	--	--	--	--	--	--
Totals	**$ --**	**$ --**	**$ --**	**$ 63,276**	**$ 51,618**	**$ 11,658**

Note 14 – Commitments:

As discussed in Note 10 – Related Party Transactions, the Organization has entered into an agreement on May 19, 2011 with a member of the board, and their spouse, for use of the land owned by the Organization in exchange for general consulting services. The property owned by the Organization is one hundred thirty-eight acres and is located in Milford, New Jersey. The agreement permits for the board member and spouse to use fifty percent of the farmable portion of the real property for agricultural purposes. This agreement is revocable by the Organization, in the event upon the other parties' death, disability, breach of contract, and violation of federal law. The board member and spouse have the right of first refusal for the entire parcel of property in the event the Organization plans to sell or agree to an offer for the purchase of the real property from a third party.

On August 1, 2013, the Organization entered into a lease agreement (“lease”) for 150 acres of land with buildings and improvements located at block 25, lot 35, Union Township, New Jersey ending March 31, 2015 with the option to extend the lease for an additional four (4) month period through July 31, 2015. For this lease period during which the Organization will utilize the land for the primary purpose of growing and harvesting produce, the lease provides for monthly rental payments of $4,083. Included in the lease exists a provision for an option to purchase (“option”) where the landlord named in the lease offers the tenant an exclusive right and option to purchase the property at the tenants sole discretion at any point during the lease for an option price of $1,400,000. On August 5, 2013, the Organization exercised this option set forth into an agreement for the sale and purchase of real property (“the agreement”) for the option price with a closing date of July 30, 2015 or earlier if elected by the Company. In accordance with the agreement, the Organization is responsible for payment of real estate taxes, maintenance, insurance, right-to-harvest, and calls for permitting four persons named in the agreement entry to the property to hunt for deer from August 5, 2013 to the closing date. The Organization will take title to the property upon payment in full at or before the closing date. During the year, the Organization incurred and paid land closing costs related to legal costs and related acquisition expenditures of $19,545 which it has capitalized. For more information, see Note 3 – Land, Property, and Equipment.

Note 14 – Commitments (continued):
The following is a schedule of future minimum lease and option payments as of December 31:

2014	$	49,000
2015	$	1,428,583

Additional rental agreements exist throughout the year for seasonal and off-site programs and are put into agreement when needed. Rent expense amounted to $41,671 and $15,024 for the years ended December 31, 2013 and 2012, respectively.

Subsequent to December 31, 2013, the Organization signed a contract for the production of pounds of produce and selection of vegetables for the 2014 harvest season with a member of the board, and their spouse, whom are the owners of Peaceful Valley Orchards ("PVO"). PVO will be responsible for planting, maintenance and transportation of produce production. The agreement calls for a total of 1,000,000 pounds of produce for the Organization during the 2014 harvest season, at a fee of $0.18 per pound. Based on the agreed pounds of production, the total amount to be paid by the Organization is $180,000. As of July 16, 2014, the Organization has remitted $70,000 to PVO for the 2014 harvest season.

Note 15 – Advertising Costs:
The Organization incurs advertising costs though the purchase of advertising space in local newspapers and the purchase of apparel in support of its mission. The Organization expenses these costs as incurred. Advertising expenses for the years ended December 31, 2013 and 2012 amounted to $16,322 and $22,421, respectively.

Note 16 – Income Taxes:
Under the requirements for recognition for uncertain income tax positions, the Organization has analyzed tax positions taken for filing with the IRS and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on it's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2013.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years prior to 2011.

Note 17 – Subsequent Events:

The Organization has evaluated subsequent events through July 16, 2014, which is the date the financial statements were issued.

Subsequent to December 31, 2013, the Organization signed a contract for the production of pounds of produce and selection of vegetables for the 2014 harvest season. See agreement terms in Note 10 – Related Party Transactions and Note 14 – Commitments.

AMERICA'S GROW-A-ROW
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Management and General	Fundraising	Total
Produce	$ 555,045	$ --	$ --	$ 555,045
Salaries	193,593	10,350	57,996	261,939
Farm supplies and materials	125,654	--	--	125,654
Land and equipment rental	41,671	--	--	41,671
Professional fees	40,441	17,267	65,843	123,551
Farm management services	39,300	--	--	39,300
Depreciation and amortization	22,473	--	--	22,473
Payroll taxes	17,839	994	5,344	24,177
Advertising costs	10,183	--	6,139	16,322
Insurance	9,071	2,507	2,816	14,394
School education materials	8,011	--	22	8,033
Interest expense	6,059	--	--	6,059
Licenses and taxes	1,555	525	100	2,180
Repairs and maintenance	878	--	--	878
Subcontracted services	500	--	--	500
Dues and subscriptions	490	--	--	490
Office expense	750	1,264	710	2,724
Employee benefits	376	87	377	840
Travel	356	--	--	356
Bank charges	--	752	--	752
Professional development	--	349	75	424
Fundraising expenses	--	--	538	538
Total Expenses	**$ 1,074,245**	**$ 34,095**	**$ 139,960**	**$ 1,248,300**

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AMERICA'S GROW-A-ROW
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services	Management and General	Fundraising	Total
Produce	$ 232,758	$ --	$ --	$ 232,758
Salaries	198,201	7,525	26,775	232,501
Farm supplies and materials	49,452	--	--	49,452
Land and equipment rental	15,024	--	--	15,024
Professional fees	20,514	15,944	5,624	42,082
Farm management services	39,300	--	--	39,300
Depreciation and amortization	14,983	--	--	14,983
Payroll taxes	17,878	679	2,415	20,972
Advertising costs	18,082	--	4,339	22,421
Insurance	3,034	3,004	1,102	7,140
School education materials	5,580	--	--	5,580
Interest expense	6,919	--	--	6,919
Licenses and taxes	1,637	425	--	2,062
Repairs and maintenance	2,157	--	--	2,157
Subcontracted services	4,274	--	--	4,274
Dues and subscriptions	490	--	--	490
Office expense	633	331	931	1,895
Travel	325	--	--	325
Bank charges	240	1,179	--	1,419
Professional development	72	--	--	72
Total Expenses	**$ 631,553**	**$ 29,087**	**$ 41,186**	**$ 701,826**

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AMERICA'S GROW-A-ROW
SCHEDULE OF DONATED USE OF FACILITIES, SERVICES AND MATERIALS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Management and General	Fundraising	Total
Produce	$ 536,442	$ --	$ --	$ 536,442
Farm supplies and materials	14,700	--	--	14,700
Professional fees	3,016	22	122	3,160
Land and equipment rental	825	--	--	825
Total	**$ 554,983**	**$ 22**	**$ 122**	**$ 555,127**

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AMERICA'S GROW-A-ROW
SCHEDULE OF DONATED USE OF FACILITIES, SERVICES AND MATERIALS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services	Management and General	Fundraising	Total
Produce	$ 232,758	$ --	$ --	$ 232,758
Professional fees	2,469	18	63	2,550
Land and equipment rental	15,024	--	--	15,024
Advertising costs	8,000	--	--	8,000
Total	**$ 258,251**	**$ 18**	**$ 63**	**$ 258,332**

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