

GARDENSHARE, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2016

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INDEPENDENT ACCOUNTANT'S COMPILED REPORT

To the Board of Directors of
GardenShare, Inc.
Canton, New York

Management is responsible for the accompanying financial statements of GardenShare, Inc. (a New York non-profit organization), which comprise the statements of financial position as 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 in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

John C. Parcell IV, CPA, CFE

February 10, 2017

GARDENSHARE, INC.

COMPARATIVE STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	12/31/2016	12/31/2015
CURRENT ASSETS:		
Cash	\$ 38,780	\$ 62,019
Grant Receivable	95,205	-0-
Prepaid Expense	777	831
Total Current Assets	<u>\$ 134,762</u>	<u>\$ 62,850</u>
FIXED ASSETS:		
Equipment & Fixtures	\$ 1,773	\$ 1,773
Less: Accumulated Depreciation	1,507	1,330
Total Fixed Assets	<u>\$ 266</u>	<u>\$ 443</u>
TOTAL	<u><u>\$ 135,028</u></u>	<u><u>\$ 63,293</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ -0-	\$ -0-
Payroll Taxes Payable	2,397	1,191
Accrued Payroll	2,073	3,776
Accrued Compensation	2,244	1,166
Deferred Revenue	89,494	4,500
Total Current Liabilities	<u>\$ 96,208</u>	<u>\$ 10,633</u>
NET ASSETS:		
Unrestricted	\$ 36,533	\$ 49,318
Temporarily Restricted	2,287	3,342
Total Net Assets	<u>\$ 38,820</u>	<u>\$ 52,660</u>
TOTAL	<u><u>\$ 135,028</u></u>	<u><u>\$ 63,293</u></u>

GARDENSHARE, INC.

**COMPARTIVE STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Unrestricted	Temporarily Restricted	Total 12/31/2016
SUPPORT AND REVENUE:			
Contributions	\$ 32,531	\$ 240	\$ 32,771
State Grants	11,042	2,047	13,089
Federal Grants	27,917	-0-	27,917
Foundation Grants	11,324	-0-	11,324
Special Event Income	18,178	-0-	18,178
Sponsorships	8,415	-0-	8,415
Fees	650	-0-	650
Interest	236	-0-	236
In-Kind Contributions	2,700	-0-	2,700
Net Assets Released from Restrictions	3,342	(3,342)	-0-
Total Support and Revenue	<u>\$ 116,335</u>	<u>\$ (1,055)</u>	<u>\$ 115,280</u>
OPERATING EXPENSES:			
Salary & Wages	\$ 84,442	\$ -0-	\$ 84,442
Payroll Taxes	6,508	-0-	6,508
Consultant for Programs	400	-0-	400
Advertising	791	-0-	791
Bank Service Fees	563	-0-	563
Dues and Subscriptions	25	-0-	25
EBT and Token Program	5,364	-0-	5,364
Financial Assistance	6,396	-0-	6,396
Insurance	1,703	-0-	1,703
Licenses, Permits, & Fees	1,938	-0-	1,938
Meetings and Conferences	918	-0-	918
Printing and Copying	6,699	-0-	6,699
Professional Fees	1,400	-0-	1,400
Postage	2,124	-0-	2,124
Rent	2,700	-0-	2,700
Supplies	3,104	-0-	3,104
Telephone & Internet	1,091	-0-	1,091
Travel	2,777	-0-	2,777
Depreciation	177	-0-	177
Total Operating Expenses	<u>\$ 129,120</u>	<u>\$ -0-</u>	<u>\$ 129,120</u>
CHANGE IN NET ASSETS	\$ (12,785)	\$ (1,055)	\$ (13,840)
NET ASSETS - Beginning of Year	<u>49,318</u>	<u>3,342</u>	<u>52,660</u>
NET ASSETS - END OF YEAR	<u>\$ 36,533</u>	<u>\$ 2,287</u>	<u>\$ 38,820</u>

GARDENSHARE, INC.

**COMPARATIVE STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Unrestricted	Temporarily Restricted	Total 12/31/2015
SUPPORT AND REVENUE			
Contributions	\$ 31,053	\$ 1,344	\$ 32,397
State Grants	571	1,429	2,000
Foundation Grants	29,155	-0-	29,155
Special Event Income	13,470	-0-	13,470
Sponsorships	7,825	-0-	7,825
Fees	615	-0-	615
Interest	423	-0-	423
In-Kind Contributions	2,700	-0-	2,700
Net Assets Released from Restrictions	3,667	(3,667)	-0-
Total Support and Revenue	<u>\$ 89,479</u>	<u>\$ (894)</u>	<u>\$ 88,585</u>
OPERATING EXPENSES			
Salary & Wages	\$ 73,728	\$ -0-	\$ 73,728
Payroll Taxes	5,450	-0-	5,450
Consultant for Programs	400	-0-	400
Advertising	582	-0-	582
Bank Service Fees	383	-0-	383
Dues and Subscriptions	434	-0-	434
EBT and Token Program	(299)	-0-	(299)
Financial Assistance	2,250	-0-	2,250
Insurance	1,778	-0-	1,778
Licenses, Permits, & Fees	1,716	-0-	1,716
Meetings and Conferences	7,573	-0-	7,573
Printing and Copying	5,493	-0-	5,493
Professional Fees	1,185	-0-	1,185
Postage	2,480	-0-	2,480
Rent	2,700	-0-	2,700
Supplies	2,247	-0-	2,247
Telephone & Internet	1,509	-0-	1,509
Travel	2,096	-0-	2,096
Depreciation	177	-0-	177
Total Operating Expenses	<u>\$ 111,882</u>	<u>\$ -0-</u>	<u>\$ 111,882</u>
CHANGE IN NET ASSETS			
NET ASSETS - Beginning of Year	\$ (22,403)	\$ (894)	\$ (23,297)
	<u>71,721</u>	<u>4,236</u>	<u>75,957</u>
NET ASSETS - END OF YEAR	<u>\$ 49,318</u>	<u>\$ 3,342</u>	<u>\$ 52,660</u>

GARDENSHARE, INC.

COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	12/31/2016	12/31/2015
OPERATING ACTIVITIES:		
Change in Net Assets	\$ (13,840)	\$ (23,297)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	177	177
(Increase) Decrease in Grant Receivable	(95,205)	-0-
(Increase) Decrease in Prepaid Insurance	54	(73)
Increase (Decrease) in Accounts Payable	-0-	-0-
Increase (Decrease) in Accrued Payroll	(1,703)	2,196
Increase (Decrease) in Accrued Compensation	1,078	285
Increase (Decrease) in Payroll Taxes Payable	1,206	1,064
Increase (Decrease) in Deferred Revenue	84,994	(6,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ (23,239)</u>	<u>\$ (25,648)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES:		
Investment in Equipment	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	\$ (23,239)	\$ (25,648)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>62,019</u>	<u>87,666</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 38,780</u></u>	<u><u>\$ 62,019</u></u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash Paid During the Year for:		
Interest	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

GARDENSHARE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE A .. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

GardenShare is a non-profit organization founded in St. Lawrence County, New York in 2001 by Phil Harnden. The organization's mission is to build a North Country where all of us have enough to eat and enough to share—where our food choices are healthy for us, for our communities, and for the environment.

Basis of Presentation

The Organization follows the presentation formats prescribed for not-for-profit organizations whereby its net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor imposed restrictions.

Temporarily Restricted Net Assets – Net assets that are available for use, but only for the purposes specified by the donor(s).

Permanently Restricted Net Assets – Net assets subject to donor imposed restrictions which require those assets to be maintained permanently by the Organization.

Basis of Accounting

The financial statements were prepared using the accrual basis of accounting. This basis of accounting recognizes revenues when earned and expenses when incurred, which conforms to accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The organization reports as cash and cash equivalents all cash on hand, amounts on deposit with banks, and savings instruments with a maturity of less than three months.

Property and Equipment

Property and equipment are stated at cost as of the date of acquisition. The Organization capitalizes property and equipment with a cost in excess of \$ 500 and an estimated useful life of 3 years or more. Depreciation is provided by the straight-line method over the estimated useful life of the asset ranging from 3 to 40 years. Depreciation expense for the years ended December 31, 2016 and 2015 were \$ 177 and \$ 177, respectively.

GARDENSHARE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A .. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable represent reimbursement owed on any of the governmental grants. The organization expends funds for a program(s) then requests reimbursement from the grantor agency. No interest is charged on outstanding receivables. Any amount that is denied for reimbursement is written off when the Organization receives notification from the grantor agency. Grants receivable at December 31, 2016 and 2015 are as follows:

	<u>12/31/2016</u>	<u>12/31/2015</u>
Volunteer Generation FMPP	\$ 60,000 35,205	\$ -0- -0-
Total Grant Receivable	<u>\$ 95,205</u>	<u>\$ -0-</u>

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.

Support and Income Recognition

Support consists primarily of federal and state grants and contributions from supporters. Government grants can be either for general unrestricted use or for a specific program. The same is true for the contributions received from supporters.

When a granting agency notifies the organization of a grant award, an entry is made to record the award by recording a grant receivable and an offset to deferred revenue. As the award is earned, deferred revenue is reduced. As funds are received, grant receivable is reduced.

Contributions that are received without restrictions, and therefore available for unrestricted use, are recorded as support when received.

Contributions that are restricted for a specific use are reported as an increase in temporary or permanently restricted net assets depending on the nature of the restriction. When funds are expended in accordance with the grant or donor's intent, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions restricted by a grantor/donor are reported as increases in unrestricted net assets if restrictions are met (either by passage of time or by use) in the reporting period in which the support is recognized.

GARDENSHARE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A .. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Numerous volunteers donate significant amounts of time and perform a variety of tasks for the Organization including fundraising and special events, participation at farmers markets, and management. However, no amounts have been reflected in the financial statements because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied.

Income Taxes

GardenShare, Inc. is a not-for-profit corporation established under the laws of the State of New York. The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Corporation is classified as being other than a private foundation as described in Section 509(a)(1) and Section 170(b)(1)(A)(vi). The Organization files tax return with the United States Internal Revenue Service and New York State Charities Bureau. The organization is no longer subject to examination by tax jurisdictions for the years ended December 31, 2010 and prior.

Deferred Revenue

The organization receives grants from individual foundations each year. The grants are typically on a fiscal year term and each year these foundations will remit funds to the organization. When the foundations issues the payment at the end of the fiscal year for the next year's contract, this income is recorded as deferred revenue. As the organization complies with the contract terms the funding is earned and an entry to reduce the deferred revenue is recorded along with an increase in the applicable support account. The deferred revenue amounts for the years ended December 31, 2016 and 2015 are as follows:

	<u>12/31/2016</u>	<u>12/31/2015</u>
Adirondack Foundation	\$ 600	\$ -0-
Mort Backus and Sons Inc	50	-0-
SeaComm Federal Credit Union	500	-0-
St. Lawrence Federal Credit Union	350	-0-
Upper NY Annual Conference	2,000	2,000
The Sweetgrass Foundation	-0-	2,500
Clif Bar Family Foundation	5,000	-0-
NYS Volunteer Generation	60,000	-0-
FMPP Grant	<u>20,994</u>	<u>-0-</u>
 Total Deferred Revenue	 <u>\$ 89,494</u>	 <u>\$ 4,500</u>

GARDENSHARE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE B .. LEASE AGREEMENT

GardenShare has an agreement with St. Lawrence University in which the university provides occupancy space at no charge to the Organization. The initial lease is effective May 15, 2009 and expired May 14, 2010 with the option of automatic annual renewals until either party terminates the lease 90 days before the scheduled renew date. Based on the square footage that is leased and an approximate market value per square foot, an in-kind contribution of \$ 2,700 has been recorded for the years ended December 31, 2016 and 2015.

A new lease agreement with Canton-Potsdam Hospital commenced on October 24, 2016 and expires October 14, 2017. The lease requires GardenShare to pay for the telephone, internet and half of all utilities incurred during the month. The lease agreement is for \$ 1.00 per year, on a year to year basis.

NOTE C .. TEMPORARILY RESTRICTED NET ASSETS

GardenShare receives funds from public grants and private contributions. On occasion, those grants and contributions have restrictions placed on them for a particular program or to used at a certain point in time. As of December 31, 2016, and 2015, temporarily restricted net assets were composed of the following:

	<u>12/31/2016</u>	<u>12/31/2015</u>
CSA Bucks Program	\$ -0-	\$ 1,913
Farmer's Market	2,047	-0-
Stewart's Shop	240	-0-
Youth Summit	-0-	1,429
 Total Temporarily Restricted Net Assets	 \$ 2,287	 \$ 3,342

Supplemental Information

GARDENSHARE, INC.

**COMPARATIVE SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Program	Management and General		Fundraising		Total		Management and General	Fundraising	Total
		12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015			
OPERATING EXPENSES										
Salary & Wages	\$ 46,323	\$ 25,707	\$ 12,412	\$ 84,442	\$ 36,605	\$ 23,606	\$ 13,517	\$ 73,728	\$ 998	\$ 5,450
Payroll Taxes	3,759	1,799	950	6,508	2,704	1,748	-0-	-0-	-0-	-0-
Health Insurance	-0-	-0-	-0-	-0-	-0-	400	400	0-	0-	400
Consultant for Programs	400	0-	0-	50	791	497	0-	0-	85	582
Advertising	741	0-	50	463	563	7	189	187	383	383
Bank Service Fees	39	61	25	25	74	7	189	187	434	434
Dues and Subscriptions	25	0-	0-	0-	5,364	(299)	0-	0-	0-	(299)
EBT and Token Program	5,364	0-	0-	0-	6,396	2,250	0-	0-	0-	2,250
Financial Assistance	6,396	0-	0-	0-	318	1,703	491	1,079	208	1,778
Insurance	811	574	329	1,938	918	7,573	0-	0-	1,716	-0-
Licenses, Permits, & Fees	1,041	568	-0-	0-	1,829	6,699	3,250	47	0-	7,573
Meetings and Conferences	918	0-	0-	0-	1,400	1,400	1,185	1,185	0-	5,493
Printing and Copying	4,750	120	1,829	1,829	602	2,124	1,409	458	613	2,480
Professional Fees	-0-	0-	0-	0-	729	2,700	2,700	0-	0-	2,700
Postage	1,090	432	0-	0-	3,104	609	497	1,141	1,141	2,247
Rent	2,700	0-	0-	0-	1,68	1,091	905	604	0-	1,509
Supplies	2,207	168	729	2,777	139	1,724	252	120	120	2,096
Telephone & Internet	-0-	1,091	0-	0-	177	177	0-	0-	0-	177
Travel	2,427	211	139	177	\$ 17,821	\$ 129,120	\$ 61,436	\$ 31,381	\$ 19,065	\$ 111,882
Depreciation	177	-0-	0-	0-						
Total Operating Expenses										
	\$ 79,168	\$ 32,131	\$ 17,821	\$ 129,120	\$ 61,436	\$ 31,381	\$ 19,065	\$ 111,882		