

BOSTON AREA GLEANERS, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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BOSTON AREA GLEANERS, INC.

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To the Board of Directors
Boston Area Gleaners, Inc.
Waltham, Massachusetts

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

I have reviewed the accompanying financial statements of Boston Area Gleaners, Inc.(a Massachusetts Corporation, not for profit), which comprise the statements of financial position as of December 31, 2016 and the related statements of activities and net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility 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; 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.

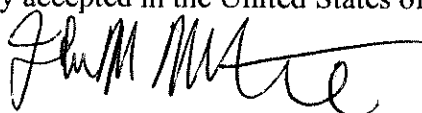
Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Medford, Massachusetts
September 25, 2017



BOSTON AREA GLEANERS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016

| <u>ASSETS</u> | | | |
|--------------------------------|---------------------|-------------------------------|--------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 110,792 | \$ 161,000 | \$ 271,792 |
| Accounts Receivable | 8,748 | 100,000 | 108,748 |
| Prepaid Expenses | 3,819 | | 3,819 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | \$ 123,359 | 261,000 | 384,359 |
| FIXED ASSETS: | | | |
| Vehicles | 108,234 | | 108,234 |
| Furniture and Equipment | 4,262 | | 4,262 |
| | <hr/> | <hr/> | <hr/> |
| | 112,496 | | 112,496 |
| Less: Accumulated Depreciation | 20,775 | | 20,775 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 91,721 | | 91,721 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 215,080 | \$ 261,000 | \$ 476,080 |

LIABILITIES AND NET ASSETS

| | | | |
|----------------------------------|------------|------------|------------|
| CURRENT LIABILITIES: | | | |
| Accrued Expenses | 979 | - | 979 |
| Total liabilities | \$ 979 | \$ - | \$ 979 |
| NET ASSETS: | | | |
| Unrestricted | 214,101 | | 214,101 |
| Temporarily Restricted | | 261,000 | 261,000 |
| Total net assets | \$ 214,101 | \$ 261,000 | \$ 475,101 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities and net assets | \$ 215,080 | \$ 261,000 | \$ 476,080 |

See accompanying notes and accountants' review report.

BOSTON AREA GLEANERS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

| SUPPORT AND REVENUE: | Unrestricted | Temporarily Restricted | Total |
|---|--------------------------|-----------------------------------|--------------------------|
| Grants and Contributions | \$ 126,708 | 323,000 | 449,708 |
| Fees for Services | 34,120 | | 34,120 |
| Special Events, net of \$3,374 direct costs | 21,424 | | 21,424 |
| Merchandise Sales, net of \$1,359 costs | 521 | | 521 |
| Interest Income | 15 | | 15 |
| Release from Restrictions | 181,498 | (181,498) | - |
| | - | | - |
| Total Support and Revenue | \$ <u>364,286</u> | \$ <u>141,502</u> | \$ <u>505,788</u> |
| EXPENSES: | | | |
| Program Services | \$ 205,076 | | 205,076 |
| Management and Administration | 38,017 | | 38,017 |
| Fundraising | 71,584 | | 71,584 |
| | - | | - |
| Total expenses | \$ <u>314,677</u> | \$ <u>-</u> | \$ <u>314,677</u> |
| INCREASE (DECREASE) IN NET ASSETS | 49,609 | 141,502 | 191,111 |
| NET ASSETS, beginning of year | 164,492 | 119,498 | 283,990 |
| NET ASSETS, end of year | \$ <u><u>214,101</u></u> | \$ <u><u>261,000</u></u> | \$ <u><u>475,101</u></u> |

The accompanying notes are an integral part of these statements

BOSTON AREA GLEANERS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>Cleaning</u> | <u>Distribution</u> | <u>Total Programs</u> | <u>Management and Administration</u> | <u>Fundraising</u> | <u>Total</u> |
|-----------------------------|-------------------|---------------------|-----------------------|--------------------------------------|--------------------|-------------------|
| Salaries and Wages | \$ 69,374 | \$ 48,630 | \$ 118,004 | \$ 13,698 | \$ 52,544 | \$ 184,246 |
| Payroll Taxes and Benefits | 6,760 | 4,739 | 11,499 | 1,335 | 5,374 | 18,208 |
| Contracted Services | 100 | 1,041 | 1,141 | 1,909 | 254 | 3,304 |
| Depreciation | 14,137 | 4,188 | 18,325 | 107 | 105 | 18,537 |
| Equipment Rental | | 17,200 | 17,200 | - | - | 17,200 |
| Insurance | 5,010 | 1,423 | 6,433 | 749 | 131 | 7,313 |
| Printing and Graphic Design | 252 | 155 | 407 | | 3,828 | 4,235 |
| Professional Fees | 5,000 | 2,500 | 7,500 | 14,319 | 1,250 | 23,069 |
| Rent | 2,250 | 3,000 | 5,250 | 375 | 1,875 | 7,500 |
| Shipping and Postages | 104 | | 104 | 12 | 798 | 914 |
| Supplies | 1,690 | 5,266 | 6,956 | 926 | 1,273 | 9,155 |
| Telephone and Internet | 1,464 | 812 | 2,276 | 1,665 | 243 | 4,184 |
| Office Expense | 1,280 | 2,103 | 3,383 | 1,750 | 3,026 | 8,159 |
| Repairs and Maintenance | 4,795 | 971 | 5,766 | 121 | 12 | 5,899 |
| Other Miscellaneous | 773 | 59 | 832 | 1,051 | 871 | 2,754 |
| Total Expenses | \$ 112,989 | \$ 92,087 | \$ 205,076 | \$ 38,017 | \$ 71,584 | \$ 314,677 |

The accompanying notes are an integral part of these statements

BOSTON AREA GLEANERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase (Decrease) in Net Assets | \$ 191,111 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 18,536 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in: Accounts Receivable | (77,723) |
| (Increase) Decrease in: Prepaid Expenses | 1,323 |
| Increase (Decrease) in: Current Liabilities- Accrued expenses | (1,324) |
| Net cash provided (used) in operating activities | <u>131,923</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of Fixed Assets | <u>(53,190)</u> |
| NET INCREASE IN CASH | |
| | 78,733 |
| CASH AT BEGINNING OF YEAR | |
| | 193,059 |
| CASH AT END OF YEAR | |
| | <u>\$ <u>271,792</u></u> |

The accompanying notes are an integral part of these statements

BOSTON AREA GLEANERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1 - Organization and Nature of Activities

Boston Area Gleaners, Inc. is a not-for-profit organization organized in September 2007, under the laws of the State of Massachusetts, dedicated to rescuing surplus farm crops for people in need.

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

(b) Contributed Support

The Organization recognizes all contributed support when it is received or unconditionally pledged. Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fully satisfied in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

BOSTON AREA GLEANERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

(c) In-Kind Support

The Organization records in-kind support for professional services and tangible assets as required by the FASB Accounting Standards Codification. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Contributions of tangible assets are recognized at fair market value when received. For the year presented, there were contributions of goods, services or facilities for \$8,719, which met the recognition criteria and they were recorded as expenses in the statement of Functional Expenses and similarly increase contribution revenue by a like amount in the statement of Activities and Changes in Net Assets. In addition, the Organization received 2,747 hours of tracked volunteers labor time which does not meet the recognition criteria and therefore, has not been quantified and recorded on the Organization's books.

(d) Property and Equipment

Property and equipment acquisitions are recorded at cost or fair market value when received. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Expenditures for major renewals in excess of \$1,000 are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

(e) Cash and Cash Equivalents

Cash equivalents are included in cash. The Organization considers as cash equivalents all money market funds and other deposits which have a maturity of ninety days or less and interest-bearing investments due on demand.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BOSTON AREA GLEANERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 3 - Tax Status

Boston Area Gleaners, Inc. is an exempt organization under Internal Revenue Code Section 501 (c) (3) and is not considered a private foundation. The corporation is also exempt from Massachusetts income taxes.

Note 4 - Leasing Arrangement

Boston Area Gleaners, Inc. leases its premises in Waltham, Massachusetts, under a one year term from July 1st to June 30. The current annual basic rent is \$10,000. The agreement is reviewed annually on the anniversary date or date mutually agreeable to both parties. For the year ended December 31, 2016, rent expense was \$7,500, which is reported as rent expense in the accompanying statement of functional expenses.

Note 5 - Functional Expenses

Expenses are charged as program or administrative based on direct expenditures incurred. Shared expenses are allocated based on estimated usage or square footage, whichever method more closely correlates to the expense incurred.

Note 7 - Concentrations

Cash and Cash Equivalents

The Organization maintains its funds in a combination of two federally insured bank accounts. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016, the Organization's cash balances exceeded in \$21,074 the FDIC limitation.

Note 8 - Uncertain Tax Positions

Management has evaluated the tax positions taken on returns for open years and those expected to be taken on returns for the year ended December 31, 2016. It is management's belief that such tax positions are more likely than not to be sustained upon examination by tax authorities. Accordingly, no liability for uncertain tax positions has been reflected in these financial statements. Returns for tax years beginning with those filed for the year ended June 30, 2013 are open to examination.

BOSTON AREA GLEANERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016

Note 9 - Assets Measured at Fair Value on a Recurring Basis

In accordance with the Fair Value Measurement and Disclosure topic of the FASB Accounting Standards Codification, the Organization is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. The guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into levels 1, 2, and 3.

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the assets or liabilities in which little or no market activity is available for the asset or liability at the measurement date.

For purposes of financial reporting, the Organization has determined that the fair values of its financial instruments, which include cash and cash equivalents, approximate the carrying values under Level 1 at December 31, 2016, based on their short maturities and/or the terms available to the Organization in financial markets.

Note 11 - Temporarily Restricted Net Assets

Temporarily restricted net assets are contributions which were received with donor stipulations that limit the use of the assets for specific purposes and/or for specific time periods. Temporarily restricted net assets at December 31, 2016, are designated for the following uses:

| | |
|--|------------------|
| Capital Program and Operating support FY 2017 | \$100,500 |
| Future General Operating needs FY2017 to FY2019 | 95,000 |
| Gleaning vehicle and gleaning program operation expenses | 45,500 |
| Gleaning expansion in FY 2017 | <u>20,000</u> |
| Total | <u>\$261,000</u> |

Note 12 - Subsequent Events

The Organization evaluated subsequent events through September 25, 2017, which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.