

**PLANT THE SEED
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2017 AND 2016**

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BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Plant the Seed

Report on the Financial Statements

We have audited the accompanying financial statements of Plant the Seed (the "Organization"), which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities and changes in net assets, functional expenses 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.

Auditors' 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 of 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Plant the Seed as of June 30, 2017 and 2016, 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.

Blankenship CPA Group, PLLC

October 18, 2017

**PLANT THE SEED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS		
	2017	2016
Cash	\$ 21,107	\$ 30,504
Grants receivable	65,545	17,575
Other receivables	40	509
Prepays	<u>12,890</u>	<u>5,500</u>
TOTAL ASSETS	<u><u>\$ 99,582</u></u>	<u><u>\$ 54,088</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 26,745</u>	<u>\$ 3,500</u>
Total Liabilities	26,745	3,500
NET ASSETS - UNRESTRICTED	<u>72,837</u>	<u>50,588</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 99,582</u></u>	<u><u>\$ 54,088</u></u>

The accompanying notes are an integral part of these financial statements.

PLANT THE SEED
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unrestricted Revenues and Support		
Grants	\$ 448,819	\$ 216,818
Contributions:		
General	32,108	1,776
In-kind	-	17,370
Interest	<u>18</u>	<u>-</u>
Total Unrestricted Revenues and Support	<u>480,945</u>	<u>235,964</u>
Functional Expenses		
Program services	413,062	210,403
Management and general	34,186	21,644
Fundraising	<u>11,448</u>	<u>-</u>
Total Functional Expenses	<u>458,696</u>	<u>232,047</u>
INCREASE IN NET ASSETS	22,249	3,917
NET ASSETS - BEGINNING OF YEAR	<u>50,588</u>	<u>46,671</u>
NET ASSETS - END OF YEAR	<u><u>\$ 72,837</u></u>	<u><u>\$ 50,588</u></u>

The accompanying notes are an integral part of these financial statements.

PLANT THE SEED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services	Management and General	Fundraising	Total
Salaries, wages and benefits	\$ 304,630	\$ 17,303	\$ 6,109	\$ 328,042
Educational supplies	89,510	1,357	-	90,867
Contract services	12,200	-	-	12,200
Professional services	-	12,000	-	12,000
Marketing	693	-	5,339	6,032
Training	3,786	553	-	4,339
Administrative	1,206	2,183	-	3,389
Insurance	1,037	790	-	1,827
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 413,062</u>	<u>\$ 34,186</u>	<u>\$ 11,448</u>	<u>\$ 458,696</u>

The accompanying notes are an integral part of these financial statements.

PLANT THE SEED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services	Management and General	Total
Salaries, wages and benefits	\$ 164,497	\$ 5,544	\$ 170,041
Educational supplies	21,498	-	21,498
Contract services	23,118	-	23,118
Professional services	-	13,086	13,086
Marketing	200	270	470
Training	582	707	1,289
Administrative	508	1,247	1,755
Insurance	-	790	790
	<hr/>	<hr/>	<hr/>
Total functional expenses	<u><u>\$ 210,403</u></u>	<u><u>\$ 21,644</u></u>	<u><u>\$ 232,047</u></u>

The accompanying notes are an integral part of these financial statements.

**PLANT THE SEED
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 22,249	\$ 3,917
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Change in		
Grant receivable	(47,970)	(17,575)
Other receivables	469	(509)
Prepays	(7,390)	-
Accounts payable and accrued expenses	<u>23,245</u>	<u>2,100</u>
Net Cash Used In Operating Activities	<u>(9,397)</u>	<u>(12,067)</u>
NET DECREASE IN CASH	(9,397)	(12,067)
CASH - BEGINNING OF YEAR	<u>30,504</u>	<u>42,571</u>
CASH - END OF YEAR	<u><u>\$ 21,107</u></u>	<u><u>\$ 30,504</u></u>

The accompanying notes are an integral part of these financial statements.

**PLANT THE SEED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Plant the Seed (the “Organization”) is a Tennessee not-for-profit corporation that shapes community and school gardens into outdoor classrooms to educate and empower under-resourced young people – building cultural connections, advancing economic justice and improving their overall health and well-being. The Organization is supported by local grants and donations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and the disclosures of commitments and contingencies. Actual results could differ from those estimates.

Cash

Cash includes checking deposits held by financial institutions.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statements of activities and changes in net assets as net assets released from restrictions. There were no temporarily or permanently restricted net assets at June 30, 2017 and 2016.

Contributed Goods and Services

Various volunteers donate many hours to the Organization’s program services. These contributed services are not reflected in the financial statements since the services do not require specialized skills. Property, equipment, materials and specialized services received as contributions are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of the receipt.

**PLANT THE SEED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the tax laws of the state of Tennessee.

NOTE 3 - GRANTS

Grants receivable consist of amounts due from local government agencies under reimbursable grants. The Organization can request reimbursement for expenses incurred up to the total amount of the award. All grants receivable are collectible within one year. The Organization uses the allowance method to determine uncollectible grants receivable. The allowance is based on prior years' experience and management's analysis of specific grants. No allowance was deemed necessary as of June 30, 2017 and 2016. The grants are subject to audit by the government agencies.

NOTE 4 - QUESTIONED COSTS

Questioned costs are those amounts charged to a funded program that may not be in compliance with requirements set forth in contracts, statutes, and regulations governing allowability or eligibility. A questioned cost may not be reimbursed by the grantor agency or the grantor agency may require that the funds already expended be refunded to the agency. These amounts can be "questioned" by the agency for the specific grant to which they apply. The determination as to whether such costs will be allowed or disallowed under the grants will be made by the individual grantor agency at a later date. No liability was required at June 30, 2017 and 2016 for the repayment of questioned costs as no grantor agency has made a determination of the appropriateness of any questioned costs. Management deems the possibility of a refund request to be remote, as they believe that the Organization has accommodated their objective to the provisions of their grants.

NOTE 5 - CONCENTRATIONS

Of the Organization's total revenues and support for 2017, approximately 93% (88% for 2016) represents funds received from three grants (one for 2016). Additionally, at June 30, 2017, 92% (94% for 2016) of the grants receivable represents funds owed by two government grants (one for 2016). No other revenue and support source represents 10% or more of total revenues and support.

**PLANT THE SEED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 6 - IN-KIND CONTRIBUTIONS

The following in-kind contributions have been included in revenues and expenses in the financial statements for the year ended June 30, 2016:

Contract services – writing/editing/design	\$ 13,345
Legal services	2,275
Educational supplies	1,000
Food	<u>750</u>
	<u>\$ 17,370</u>

There were no in-kind contributions in 2017.

NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 18, 2017 which is the date the financial statements were available to be issued.