

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

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## 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 statement of financial position as of June 30, 2016 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, (collectively, 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 audit. We conducted our audit 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Blankenship CTA Group, PLLC*  
September 14, 2016

**PLANT THE SEED  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2016**

**ASSETS**

Cash	\$ 30,504
Grant receivable	17,575
Other receivables	509
Prepays	<u>5,500</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 54,088</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>	
Accounts payable and accrued expenses	<u>\$ 3,500</u>
<b>Total Liabilities</b>	<b>3,500</b>
<b>NET ASSETS - UNRESTRICTED</b>	<b><u>50,588</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 54,088</u></b>

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

**PLANT THE SEED**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2016**

Unrestricted Revenues and Support	
Grants	\$ 216,818
Contributions:	
In-kind	17,370
General	<u>1,776</u>
Total Unrestricted Revenues and Support	<u>235,964</u>
Functional Expenses	
Program services	210,403
Management and general	<u>21,644</u>
Total Functional Expenses	<u>232,047</u>
INCREASE IN NET ASSETS	3,917
NET ASSETS - BEGINNING OF YEAR	<u>46,671</u>
NET ASSETS - END OF YEAR	<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, 2016**

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

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

**PLANT THE SEED  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$ 3,917
Adjustments to reconcile increase in net assets to net cash used in operating activities	
Change in	
Grant receivable	(17,575)
Other receivables	(509)
Accounts payable and accrued expenses	<u>2,100</u>
Net Cash Used In Operating Activities	<u>(12,067)</u>
NET DECREASE IN CASH	(12,067)
CASH - BEGINNING OF YEAR	<u>42,571</u>
CASH - END OF YEAR	<u><u>\$ 30,504</u></u>

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

**PLANT THE SEED  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 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, donations, and program fees.

**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 statement 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, 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)**  
**YEAR ENDED JUNE 30, 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.

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2016, no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2012.

**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, 2016. The grants are subject to audit by the government agencies.

**NOTE 4 - CONCENTRATIONS**

Of the Organization's total revenues and support for 2016, approximately 88% represents funds received from one grant. No other revenue and support source represents 10% or more of total revenues and support.

**NOTE 5 - 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	750
	<u>\$ 17,370</u>

**NOTE 6 - EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through September 14, 2016 which is the date the financial statements were available to be issued.