

**FRIENDS OF HILLTOP HANOVER FARM
AND ENVIRONMENTAL CENTER, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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JUNE 30, 2015

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INDEPENDENT ACCOUNTANTS' REPORT

To the Trustees of
Friends of Hilltop Hanover Farm
and Environmental Center, Inc.

We have audited the accompanying statement of financial position of the Friends of Hilltop Hanover Farm and Environmental Center, Inc. as of June 30, 2015, and the related statement of activities for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial status of the Friends of Hilltop Hanover Farm and Environmental Center, Inc. as of June 30, 2015 and the changes in its financial status for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Joseph F. Eaton, CPA, P.C.

Huntington Station, New York
November 16, 2015

FRIENDS OF HILLTOP HANOVER FARM AND ENVIRONMENTAL CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

Assets

Current Assets

Cash

\$ 109,304

Fixed assets (net)

14,976

Total Assets

\$ 124,280

Liabilities and Net Assets

Current Liabilities

Accounts Payable

\$ 9,441

Net Assets - Unrestricted

114,839

Total Liabilities and Net Assets

\$ 124,280

FRIENDS OF HILLTOP HANOVER FARM AND ENVIRONMENTAL CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Revenues

Direct public support	\$ 130,086
Produce sales	229,560
Other revenue	8,481
Total Revenues	368,127

Expenses

Program Expenses	
Advertising	4,940
Depreciation	2,349
Donations	1,475
Dues and subscriptions	493
Equipment	884
Fees and permits	1,334
Farm supplies & expense	33,884
Insurance	26,743
Office	2,129
Payroll taxes and fees	19,022
Produce	13,223
Program costs	5,732
Repairs and maintenance	8,722
Salaries	196,468
Seminars	1,219
Supplies	2,631
Travel	424
Total program services	321,672

Management and general expenses

Dues and subscriptions	494
Equipment	2,653
Fees	945
Insurance	2,972
Office	5,179
Payroll taxes and fees	1,179
Professional fees	5,000
Repairs	969
Salaries	10,915
Supplies	877
Travel	141
Total management and general expenses	31,324

Special events expense

Advertising	511
Payroll taxes	934
Salaries	10,915
Total special events expense	12,360

Total Expenses

365,356

Excess of expenses over revenues

2,771

Net assets - beginning

112,068

Net assets - ending

114,839

See auditors' report and notes to financial statements

FRIENDS OF HILLTOP HANOVER FARM AND ENVIRONMENTAL CENTER, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2015

Cash flows from operating activities	
Change in Net Assets	\$ 2,771
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	2,349
Changes in assests and liabilities:	
Accounts payable	<u>9,441</u>
Net cash provided by operating activities	<u>14,561</u>
Cash flows from investing activities	
Purchase of furniture and fixtures	(2,791)
Purchase of livestock	<u>(3,000)</u>
Net cash used by investing activities	<u>(5,791)</u>
Net increase in cash	8,770
Cash - beginning of period	<u>100,534</u>
Cash - end of period	<u><u>\$ 109,304</u></u>

FRIENDS OF HILLTOP HANOVER FARM AND ENVIRONMENTAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization

Friends of Hilltop Hanover Farm and Environmental Center, Inc. (The Organization) is a nonprofit organization established for the purpose of providing environmental and agricultural education, demonstrate sustainable living, and provide educational resources on agriculture and the environment for current and future generations, and preserve the agricultural heritage of Westchester County and the Hudson Valley. Cultivate accessible and affordable organic food for our community.

Investments

Investments are composed of debt and equity securities carried at fair value. Fair value of securities is determined by quoted market price. Unrealized gains and losses are included in the net gain or loss on investments in the statement of activities.

Depreciation

Fixed assets are recorded at acquisition cost. The Organization has adopted both straight-line and accelerated methods of depreciation. Assets are depreciated over their estimated useful lives.

Financial Statement Presentation

The Organization reports 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.

All of the Organization's net assets are unrestricted.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, such as, when I stipulated time restriction ends or purpose 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. Contributions that are received and for which donor restrictions expire in the same period are recorded as unrestricted support. The Organization received contributions from the general public throughout the greater New York area.

Cash and Cash Equivalents

For purposes of the statements of cash flows, The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expenses

The Organization's fund-raising activities are carried out by volunteers and do not meet the criteria to be recorded as donated services in the financial statements.

NOTE 2 - TAXATION OF INCOME AND REQUIRED CONTRIBUTIONS

The Organization as a charitable organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

FRIENDS OF HILLTOP HANOVER FARM AND ENVIRONMENTAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - FIXED ASSETS

Fixed assets are summarized as follows:

Machinery and equipment	\$ 11,492
Furniture and fixtures	5,291
Livestock	<u>3,000</u>
	19,783
Less: accumulated depreciation	<u>4,807</u>
	<u><u>\$ 14,976</u></u>

Depreciation expense related to fixed assets was \$2,349 for the year ending June 30, 2015.