

Groundworks Collaborative, Inc.

Financial Statements and
Independent Auditors' Report

June 30, 2016 and 2015

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Independent Auditors' Report

To The Board of Directors
Groundworks Collaborative, Inc.
Brattleboro, Vermont

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We have audited the accompanying financial statements of the Groundworks Collaborative, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, 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 from material misstatement.

Other offices located in:
South Hadley, MA

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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 the Groundworks Collaborative, Inc. as of June 30, 2016 and 2015, 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.

Prick & Company, P.C.

License 92-0000111
Brattleboro, Vermont
September 15, 2016

Groundworks Collaborative, Inc.

Statements of Financial Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 291,437	\$ 558,407
Grants and other receivables	64,071	3,341
Prepaid expenses	11,970	8,982
Beneficial interest in assets held by others	93,497	101,529
Property and equipment	573,702	568,681
Other assets	<u>2,000</u>	<u>-</u>
Total assets	<u>\$ 1,036,677</u>	<u>\$ 1,240,940</u>
Liabilities		
Accounts payable	\$ 56,576	\$ 29,825
Accrued expenses	<u>48,396</u>	<u>41,451</u>
Total liabilities	104,972	71,276
Net Assets		
Unrestricted:		
Designated	93,497	112,312
Undesignated	<u>838,208</u>	<u>1,057,352</u>
Total net assets	<u>931,705</u>	<u>1,169,664</u>
Total liabilities and net assets	<u>\$ 1,036,677</u>	<u>\$ 1,240,940</u>

The accompany notes are an integral part of the financial statements.

Groundworks Collaborative, Inc.

Statements of Activities Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Grants	\$ 709,669	\$ -	\$ 709,669	\$ 426,517	\$ -	\$ 426,517
Rent	33,686	-	33,686	34,417	-	34,417
Contributions and fundraising	276,026	-	276,026	149,050	-	149,050
Loss on sale of asset	-	-	-	(3,939)	-	(3,939)
Investment return	(693)	-	(693)	4,921	-	4,921
Other revenue	13,142	-	13,142	8,764	-	8,764
Total support and revenue	1,031,830	-	1,031,830	619,730	-	619,730
Net assets released from restrictions	-	-	-	8,531	(8,531)	-
	1,031,830	-	1,031,830	628,261	(8,531)	619,730
Expenses:						
Program services	838,887	-	838,887	446,366	-	446,366
Supporting services:						
Management and general	226,269	-	226,269	140,137	-	140,137
Fundraising	89,289	-	89,289	50,395	-	50,395
Total expenses	1,154,445	-	1,154,445	636,898	-	636,898
	(122,615)	-	(122,615)	(8,637)	(8,531)	(17,168)
Non-operating revenue:						
Contribution of net assets	-	-	-	207,316	-	207,316
Merger and acquisition expenses	(115,344)	-	(115,344)	(24,043)	-	(24,043)
	(115,344)	-	(115,344)	183,273	-	183,273
Change in net assets	(237,959)	-	(237,959)	174,636	(8,531)	166,105
Net assets at beginning of year	1,169,664	-	1,169,664	995,028	8,531	1,003,559
Net assets at end of year	\$ 931,705	\$ -	\$ 931,705	\$ 1,169,664	\$ -	\$ 1,169,664

*The accompanying notes are an integral part of the financial statements.
Certain reclassifications have been made to the 2015 statement to conform to those used in 2016.*

Groundworks Collaborative, Inc.

Statements of Functional Expenses Years Ended June 30, 2016 and 2015

	2016				2015			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 480,399	\$ 123,346	\$ 45,443	\$ 649,188	\$ 276,306	\$ 70,944	\$ 26,137	\$ 373,387
Payroll taxes	36,254	9,309	3,430	48,993	19,945	5,121	1,887	26,953
Employee benefits	80,049	20,553	7,572	108,174	59,599	15,302	5,638	80,539
Aid to individuals and free care	138,150	-	-	138,150	15,388	-	-	15,388
Printing and advertising	-	-	7,656	7,656	-	-	1,240	1,240
Utilities	18,567	3,713	2,476	24,756	18,363	3,673	2,449	24,485
Professional fees	14,519	17,124	5,584	37,227	7,280	8,587	2,800	18,667
Depreciation	-	31,302	-	31,302	-	22,513	-	22,513
Insurance	11,390	2,278	1,519	15,187	7,283	1,457	971	9,711
Supplies	12,864	1,143	286	14,293	15,374	1,367	342	17,083
Office expenses and related	3,065	5,620	1,533	10,218	2,595	4,758	1,298	8,651
Repairs and maintenance	15,997	3,199	2,133	21,329	11,055	2,211	1,474	14,740
Transportation	10,078	1,440	2,879	14,397	5,077	725	1,451	7,253
Telephone	11,114	1,389	1,389	13,892	4,809	601	601	6,011
Board expenses	-	2,147	-	2,147	-	290	-	290
Membership fees	3,162	1,227	330	4,719	2,628	1,019	274	3,921
Miscellaneous	-	1,386	1,386	2,772	-	1,347	1,347	2,694
Conferences	3,279	1,093	1,093	5,465	664	222	222	1,108
Fundraising	-	-	4,580	4,580	-	-	2,264	2,264
	<u>\$ 838,887</u>	<u>\$ 226,269</u>	<u>\$ 89,289</u>	<u>\$ 1,154,445</u>	<u>\$ 446,366</u>	<u>\$ 140,137</u>	<u>\$ 50,395</u>	<u>\$ 636,898</u>

*The accompanying notes are an integral part of the financial statements.
Certain reclassifications have been made to the 2015 statement to conform to those used in 2016.*

Groundworks Collaborative, Inc.

Statements of Cash Flows Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (237,959)	\$ 166,105
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	31,302	22,513
(Gain) loss of sale of assets	-	3,939
Unrealized loss on investments	3,225	3,866
Contribution of property and equipment	-	(95,267)
(Increase) decrease in:		
Accounts and grants receivable	(60,730)	7,159
Prepaid expenses	(2,988)	(1,140)
Other assets	(2,000)	-
Increase (decrease) in:		
Accounts payable	26,751	28,238
Accrued expenses	6,945	11,827
Deferred revenue	-	(18,333)
Net cash provided (used) by operating activities	<u>(235,454)</u>	<u>128,907</u>
Cash flows from investing activities:		
Proceeds from sale of asset	-	1,200
Purchases of property and equipment	(36,323)	(10,312)
Change in beneficial interest in assets held by others	4,807	(1,075)
Net cash provided (used) by investing activities	<u>(31,516)</u>	<u>(10,187)</u>
Net increase (decrease) in cash	(266,970)	118,720
Cash at the beginning of the year	<u>558,407</u>	<u>439,687</u>
Cash at the end of the year	<u>\$ 291,437</u>	<u>\$ 558,407</u>

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