

Day of Caring 2016



Mike Meehan – Farm Manager



Kathy Ricker & Barbara Lanza Polishing Apples



Story Walk Installation



Christmas Tree Shop



SholanFarms®

Annual Report

Established in April 2001

July 2016 – June 2017

Sholan Teamwork



Jack Keefe, Sett Firmani, Jesus Balza, Joe LeBlanc

New Display Cooler 2016



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Sholan Farms Staff

Farm Manager & Assistant Farm Manager Michael Meehan, mike_meehan@rocketmail.com, Tel: 978-660-4556
 Assistant Farm Manager, Emily Watkevich
 Farmstand Manager – Volunteer Coordinator (2017), Cindy LaFleur, Tel: 978-840-3276

Attachments:

Balance Sheet
 Profit and Loss Summary
 Profit and Loss by Category
 Master Plan Representative Images



Summary of Activities

Friends of Sholan Farms, a 501(c)(3) organization, is pleased to provide this 2016 Annual Report to its funding partners and volunteers. We believe it is important that our stakeholders have insight into our activities to support the farm. Sholan Farms is operated by the "Friends of Sholan Farms" who are volunteer residents of Leominster and its neighbors (around the USA and abroad). This 501(c)3 non-profit organization was formed in 2001 to continue with the preservation and restoration of the farm. The group has organized operations and fundraising efforts associated with "saving and growing" the farm, and restoring the farm and the orchard to its original splendor.

The Friends of Sholan Farms have devoted countless volunteer efforts to protect, preserve, and restore the property and orchard. Plans for this restoration project go beyond tending to the property and orchard and include transforming the farm through the addition of several important structures: barn, apple storage, equipment building, pavilion, outdoor classrooms to name a few. The grounds will be open to the public for apple picking and for passive recreation activities such as hiking, bird watching, caring for the orchard, snowshoeing, cross-country skiing, and events throughout the year.

Friends of Sholan Farms - Mission

Our mission is to be a family oriented, recreational, and educational farm making full use of natural resources with an integrated ecosystem that is practical and environmentally friendly. Our goal is constant improvement while striving to preserve and protect this diverse property. We desire to be beneficial to the community by bringing people, education, business, and culture to the City of Leominster and surrounding communities in Central Massachusetts.

Education

Nearly 5,000 people attended the Friends' following fund-raisers; the Annual Apple Blossom Festival, Opening Weekend, Cream of the Crop Weekend, and the Harvest Festival Weekend. Thousands of people visited the Farm every weekend during the fall harvest season, arriving by automobile, on foot, and by bus.

Clearly, the Farm is an important and treasured asset of the community: one of the last remaining working farms in the City of Leominster, where children and people of all ages can get in touch with nature, the land and farming. The staff, supporters and volunteers at Sholan Farms teach us about the source of our food, the value of our land, and the cultural heritage of Leominster.

The Friends have developed an excellent tour package to educate elementary students and visitors. Support comes from the Leominster Cultural Commission Grant and from the tour fees, donations, merchandise sales, and fund-raisers. These field trips are so popular that teachers begin registering in June for the fall field trips. Many of the children who visit Sholan Farms have never been to a working farm and many have never picked an apple.

In the orchard, they learn how apples grow, and they taste apples that they picked themselves. They learn about the concepts of recycling, the role of worms and bugs in the garden, and the effort it takes to grow food. Children and adults participating in the Sholan Farms' tours learn first-hand experiences about their role in nurturing the environment. At the end of all field trips, students form a closing circle and share what they learned at Sholan Farms. Younger students have story time and the older kids share what they have learned.

The Friends' educational tour program affords visitors of all ages the opportunity to experience this "hands-on" learning environment. Students usually arrive at the Farm by bus and hike through the surrounding countryside, learning about the trees and plants. Specially trained volunteers teach the classes, which include Farm and Garden for Kindergartners and elementary school students. Older students get to hike through the orchard and farmland and learn about watershed and care of the environment.

The Friends of Sholan Farms are Preserving the Past and Influencing the Future



Friends Organization – About Us

The Friends of Sholan Farms is governed by a volunteer Board of Directors and its dues paying members. The Board plans and manages fundraising and distribution of donations in accordance with its mission statement.

The goal of Friends of Sholan Farms is to bring people and land together in a practical, enduring, life-giving community. We do this by growing and distributing food in a way that is just and sustainable; that helps us develop skills and knowledge of land and community stewardship; and that connects rural and urban people to the land and each other in a way that celebrates life and harmony with the earth.

The "Friends of Sholan Farms" are made up of volunteer residents of Leominster and its neighbors (around the USA and abroad). This 501(c)3 non-profit organization was formed in 2001 to continue with the preservation and restoration of the farm. The group has organized operations and fundraising efforts associated with the "saving and growing" the farm, and restoring the farm and the orchard to its original splendor.

The Friends of Sholan Farms have devoted countless volunteer hours to protect, preserve and restore the property and orchard. In 2012, the Master Plan Committee was formed to help shape the next 20 years. The plans for the restoration project go beyond tending the orchard. In fact, they include facility expansions to include equipment buildings, visitor center and restrooms which will transform the farm into a 12-month destination for nature lovers. The grounds are open to the public for apple picking and for passive recreation activities such as hiking, bird watching, caring for the orchard, snowshoeing, cross-country skiing, and events.

The Friends of Sholan Farms is a working team dedicated to promoting the importance of local agriculture and stewardship of natural resources. Our primary focus is associated with the restoration, property improvements and preservation of Sholan Farms located at 1125 Pleasant Street, Leominster, Mass. Our vision is to establish a working farm and agro-ecological education center, which teaches humane sustainable agriculture.

2016 Revenue, Donations and Fund-Raising

The Friends of Sholan Farms use accrual accounting method and our fiscal year ends in December. Throughout 2015 report year, the Friends of Sholan Farms have led a strong charge to restore and preserve the 167.0239 acres of land and orchard at Sholan Farms. Our most important revenue stream continues to come from the Apple Crop with a gross of \$107,895.12. Until 2015, we had shown steady growth in our apple sales (gross sales) as follows: \$3,000 - 2001, \$9,000 - 2002, \$25,000 - 2003, \$38,000 – 2004, \$37,000 in 2005, \$56,529 – 2006, and \$76,914 – 2007, \$113K – 2008, \$128K – 2009, \$122K 2010, \$125K 2011, \$131K 2012, \$154.8K 2013, \$108.1K 2014 and \$139.7K - 2015. Since 2015 we have experienced significant challenges and have witnessed a decline in the apple revenue.

Mother Nature is always throwing uncertainties into the mix, which certainly brings new challenges to every farmer year after year. Massachusetts officials reported that the 2016 New England apple crop was estimated to be about 30 percent smaller than the bumper 2015 crop. The 2015 crop was above average by 30% with an overset of small apples. Our initial assessment estimated that the crop was lower than expected due to the harsh winter of 2015-2016. A detailed explanation can be found in the revenue expense section of this report.

The pumpkin harvest, both carving and sugar, was decent this past year. Not so the winter squashes. Winter squashes were planted in a field that really needs a rest. In addition, the severe drought had an impact and the harvest was weak. A new field was cut and prepared, and the winter squashes, gourds, and specialty pumpkins were planted in the new field in 2017. The old field will lie fallow for the coming year, with a cover crop sown. A little TLC will do the trick. We must start rotating crops and spend time to refurbish the crop land. The soil is clogged with invasive bindweeds and is lacking nutrients and organic matter.

Fundraising is an area that needs more attention. The most successful fundraising efforts are the Apple Blossom and Harvest Festivals. Donations, events, sponsorship and grants amounted to \$25K or 9% of the total revenues. Once we complete the Master Plan we will have the tools to launch targeted fundraising campaigns. Presently we use our operations revenue to fund all activities. We can improve our offerings by using operations funds to support operations and raise capital funds to support expansions and farm improvements.



Volunteer Assessment

2015 and 2016 were years full of change and challenge with regards to the volunteers. The Friends of Sholan Farms was founded in 2001 with purpose and goal of running the farm in a sustainable manner. The farm is run by our paid staff, Mike Meehan the farm manager, seasonal staff and volunteers. Mike relies on volunteers to complete a major amount of the work. The farm is growing each year and there are many volunteer opportunities. This year brought in approximately 8,000 logged volunteer hours and numerous volunteer hours that have not accounted for. Each year we hire a new farmstand manager and that in itself is a challenge. Farmstand operations will need significant improvements in the year ahead. Most of the volunteer hours include sales, pruning, tilling, planting, mowing, farmstand maintenance/upgrades and numerous other chores that contribute to the upkeep of the farm. Volunteer opportunities include apple picking (grading, polishing and bagging), working in farmstand selling apples and retail, school tours, and many other areas too numerous to mention. There is something for everyone.

We have found that sub-committees and teams are needed to keep the farm running smoothly. We implemented teams during the Apple Blossom Festival and now have teams for membership and pruning, which have all been very successful. With all the aspects of running the farm, we hope to have more teams in place during the approaching season.

PLEASE VOLUNTEER! We will hold a volunteer training meeting in August at the farmstand. There will be other training opportunities as the season opens. Anyone interested in becoming a volunteer, please contact a board member at Sholan Farms 978-840-3276 or email to volunteer@sholanfarms.com. You can also sign up on the website.

SHOLAN FARMS IS A GREAT PLACE TO VISIT! LET'S KEEP IT BLOSSOMING!

Major Accomplishments

Apple & Peach Orchard History and Assessment

In 2001 when we took over the farm, we had nine varieties of apples and in 2016 we had 39 +/- varieties in production. We are now maintaining 100% of the 60 acres of existing agricultural land at Sholan Farms. The vision of someday having the farm in full production has come true.

Tall Spindle Orchard – UMASS

Beginning on Sunday April 19, 2009 and finishing on Saturday April 25 the Friends planted 900 new apple trees. The trees are part of a grant through the Mass Fruit Growers Association. The Friends contributed the cost of irrigation and support systems. The trees are fully funded through the Massachusetts Orchard Production Upgrade Program. (MOPUP) Sholan Farms was one of 11 selected growers who replaced one acre of old orchard with the new tall-spindle apple orchard system, which added 5 new varieties. The key objectives for a new orchard is to maximize yield in the early years and still effectively produce large yields of high-quality fruit after the trees are mature. A number of volunteers and friends have been involved with the project. The tall spindle orchard was in full production in the second year.

Peach Orchard

Through a generous donation from Roy Billodeau and family we were able to plant a peach orchard in the Spring of 2015. The site preparation began in 2014 with removal of an existing apple orchard and then many hours of rock picking and soil preparation. The trees were ordered in 2014 and were delivered in April 2015. Under the direction and leadership of Mike Meehan the planting took place on April 30, 2015. Team members included Perkins School, Sher and his brother, Felix, Roy Billodeau, Mike Iannaconi - great effort by all. Bill Broderick's tree planter was a lifesaver! The orchard suffered a setback in 2016 due to the minus 16 degree days in February, which killed all the buds. The orchard is on target to produce the first crop in 2017. Thank you Mike for leading the charge and thank you Roy for the donation.

Farmers Market

Sholan just finished its third year of participation in the Fitchburg Farmer's Market, and its second year of the Leominster Farmer's Market. Results were mixed with a huge increase in sales at the Fitchburg (62%) being offset by a decrease in sales at the Leominster market (-22%). The increase in Fitchburg's sales can be accounted for by a change of location to a much more accessible and visible spot. It is unknown why Leominster decreased so much. Overall, farmer's market sales increased 4% over the previous year, for a total of about \$6,100. Sholan also applied to participate in the Westminster Farmer's Market but was rejected due to the large number of farmers already participating in that market. Sholan will continue to try to join more markets as they become available.

Blueberries

The 1100 blueberries were planted in 2007. This crop was made possible by the leadership of Sett Firmani, who raised funds from the shareholders of the Italian American Center on Lancaster Street. The plants got off to a very slow start due to a number of problems; the plants were pot bound, we did not do enough research to understand the proper way to plant, we had no irrigation, we did not properly test or treat the soil to lower the ph, the plants were kept waiting until the field was tilled – which meant we kept watering them daily for well over a month, and the weed situation became intolerable. Consequently, over half of the plants died. We made another unsuccessful attempt to replace the plants in March 2010, but they too died. In 2015, we addressed all problems and approved the purchase of 400 replacement plants. The new blueberries were planted in April of 2016. The new planting was negatively impacted by the severe drought. We will reassess the plants in 2017.



Solar Installation 2011-2016

New Solar photovoltaic system (PV) System - Solectria PVI 3000

- Panels 18, 45 pounds each
- System capacity 3kw per year
- Project Leader for Sholan Farms: Steve Smith
- Solar Contract Team Leader: Southpoint Mike Lastella
- Installation team: CTE Students
- Cost of the project was around \$16,495
- Grants; \$12,000 Massachusetts Dept. of Agriculture, and \$5,000 Massachusetts Clean Energy Center.

The system was installed and turned up in June 2011.

Quick Facts: The system produces 3,000 kW annually, which is about 1/3 of the energy consumption for the farm. Since June 2011, the system has produced 26,663 kW of power, offset over 33,329 pounds of CO₂, equivalent offset of 2,932 gallons of gas. Check it out on the web: http://www.solrenview.com/cgi-bin/CGIhandler.cgi?&sort=pvi_IDs&cond=site_ID=793 or at www.sholanfarms.com



Farmstand Expansion 2011-2016

| Item | Budget | Actual To Date | Variance | Details |
|---------------------|-------------|----------------|-----------|---|
| Building | \$14,000.00 | \$13,819.00 | \$181.00 | Building 13379, Custom Plan 250, Building Permit 190 |
| Site Prep & Pad | \$11,375.00 | \$11,375.00 | \$0.00 | Bill for 8150 and 3225 |
| Interior & Electric | \$5,000.00 | \$4,581.00 | -\$419.00 | Deck 322, Electric 1000, Dry In & Gutters 2,900, Phones 85, Internet 40, New Reg Tables 234 |
| Contingency | \$3,038.00 | \$3,680.00 | \$643.00 | Sod 1000, Awning 2,680 |
| Totals | \$33,413.00 | \$33,455.00 | \$43.00 | |

This core project was started in July of 2011 and completed in June of 2012. Additional upgrades have been made and completed through 2015. We were able to internally fund the construction of a 30-foot wide by 25 foot long addition to the existing Farmstand. The addition has two 10 foot by 10 foot roll up doors on the south side and two 9 foot by 7 foot roll up doors on the east side. We are also able to access the existing Farmstand and cold storage. The addition will allow us to expand our retail space by 750 square feet as well as provide equipment storage during the winter months.

The building was erected by American Steel Carports in early April 2012. Glen Hines Excavation was able to quickly complete the site work and we were able to use the new space for the 2012 Apple Blossom Festival. Shortly after the festival the Electrical department at Leominster CTE was able to start work on the electrical system. While CTE was doing their work, Northstar Construction was able to tie the two building together and install gutters and downspouts. All of this work is complete and we will have a fully functional space for the 2012 season. Since that time we have added additional shelving, counters and amenities. We budgeted \$33,455 dollars for this project and we came in over by \$43. Betterments have continued through 2016 and include additional amenities such as lighting, counter space, insulation.

We have completed several other projects to improve the farmstand utility: The electrical shop at Leominster Center for Technical Education completed the installation a ceiling fan, additional lighting in the farm stand, and motion detection switches in the farms stand and country store. Vincent Parisi constructed a new display hutch for the Country Store. Cory Gordon, Eagle Scout, chose to construct several storage cabinets for the farm stand to complete his Eagle Scout project.



Equipment Update

At the end of 2011, it was determined that the old tractor was in need of many repairs. Jody Murray worked with Padula's and negotiated a terrific exchange that will fulfill our need for two tractors. The Board Voted to trade in the old tractor and purchase two new John Deere tractors – the first payment was made in January 2013. Purchase and Sale – after trade-in for \$30,000 and finance for \$77,508.84 with a yearly payment of \$12,918.14 at 1.90% for 6 years. 4/25/2012.

We suffered a disappointing set back on October 24, 2013 with the theft of the one of the John Deere 5093 tractor with cab, self-leveling loader, forks, bucket and sundry other items. (Wed night Thursday morning). The tractor was only 1.5 years old. In the effort to get away they pulled apart the PTO connection on the mower leaving it disabled. Although we received over 40,000 hits on facebook we never recovered the tractor. The surveillance cameras were not able to retrieve any data. We did carry insurance and received about 80% of the value. A John Deere 5085E tractor was ordered and delivered in 2014.

Over the past couple of years we purchased additional farm equipment and tools: diesel tank, 8 foot disc harrow, spin spreader, cultivator, landscape rake, Ferris IS 3000 zero turn mower, and spreader.



Other Achievements 2015-2016

Facilities Update – Operations

2016 was a very busy year for the Friends of Sholan Farms. We were able to complete and expand on several necessary projects that will have a significant impact in the future of the farm.

Accomplishments:

- Apple Polishing Machine – This vintage machine was refurbished by Henry Blanchette was pressed into during the 2015 harvest season. The machine saves time and labor in polishing the apples.
- Diesel tank – This was a long time coming but well worth the investment. In late 2014 the tank was installed and finally put into action in January 2015.
- Paving Projects – The DPW spread regrinds around the loading dock and in muddy orchard roadways.
- Erosion Controls – This continues to be an issue. In particular there is an area in block 2 where the water bubbles up out of the ground. Vern Holman was awarded the job and did install a new drainage system in 2014. He also repaired additional problem areas in 2016 and is scheduled complete address more drainage issues in 2017.

Christmas Tree Shop at Sholan Farms

As many of you know, Bart's Farm started selling Christmas trees at Sholan three years ago. The plan was for Frank "Bart" and Beverly Bartolomeo to establish the business and then donate it to Friends of Sholan Farms. Mike Meehan worked with Frank and Beverly during the 2015 Christmas season to understand the workings of the business.

2016 was the first year we that the Friends assumed responsibility for the Christmas tree sales. After Labor Day we started talking to the tree suppliers, making the transition from Bart's Farm to Friends of Sholan Farms. Working with Frank and Beverly, we planned the logistics for the start of the season. After speaking with Frank, and reviewing the previous year's sales, we decided to purchase 500 trees (a mix of Frasier and Balsam Fir). We ordered trees with varying heights of between 4 and 12 feet. By early November, Frank delivered all of the equipment we would need: tree shaker, balers, lights, decorations, tree drill, hand saws and a chain saw.

We also made renovations to the farm stand to provide extra warmth and cut down the wind blowing through the building. The north wall of the farm stand was insulated and new barn siding was installed to hide the insulation and cover gaps in the attic. Leominster CTE Electrical installed a new heater and repaired any light poles that needed attention.

Just before Thanksgiving the building was decorated, lights and decorated tree were added to the gazebo and a photo spot was set up by the yellow storage building.

The trees were delivered just before Thanksgiving and we started selling them the Saturday after Thanksgiving. Sales continued until we closed on December 18, 2017.

Overall, we are very pleased with how this first year went. We were able to sell 97% of the trees we ordered. We were able to continue selling apples well past the end of October due to tree customers coming into the farm stand. It was surprising to learn that many of the people we sold trees to had never come to the farm for apple picking. Hopefully, we will gain some new apple season customers due to this new venture of selling Christmas trees!

We are already discussing a few changes for the 2017 Christmas Tree season: We want to find a new wreath supplier because our supplier for 2016 was not able to send us any wreaths. We are thinking of changing the hours of operation, hoping to make it easier for families to buy their tree after work.





Many Thanks

We could not have completed all of these projects without support and help from, Leominster Center for Technical Education, Henry Blanchette, Mike Iannacone, Sam Maffeo, Vincent Parisi, Mike Padula, Sholan Farms volunteers, Shriver Job Corp, Sholan Farms Board of Directors, Community Builders, United Way, Worcester County Sheriff's Office, and Leominster Department of Public Works. Most important we are very grateful to Mike Meehan for his steadfast leadership and to Emily Watkevich for her dedication to Sholan Farms.

Fiscal year ending December 31, 2002 to Present Report Card

| MEMBERSHIP | Grade B | | | | Total |
|--------------|---------|---------|---------|----------|-------|
| | Charter | Friends | Patrons | Bus/Corp | |
| 2001 | 47 | 31 | 5 | | 83 |
| 2002 | 60 | 46 | 8 | | 114 |
| 2003 | 99 | 64 | 8 | | 171 |
| 2004 | 118 | 68 | 12 | | 198 |
| 2005 | 133 | 75 | 16 | | 224 |
| 2006 | 139 | 73 | 20 | | 232 |
| 2007 | 150 | 143 | 21 | | 315 |
| 2008 | 160 | 191 | 23 | 2 | 375 |
| 2009 | 160 | 100 | 23 | 4 | 287 |
| 2010 | 106 | 100 | 0 | 4 | 210 |
| 2011 | 102 | 50 | 0 | 1 | 153 |
| 2012 | 100 | 62 | 0 | 6 | 168 |
| 2013 | 82 | 95 | 0 | 3 | 180 |
| 2014 | 79 | 102 | 0 | 3 | 184 |
| 2015 | 82 | 100 | 0 | 4 | 185 |
| 2016 | 74 | 109 | 0 | 3 | 186 |
| Growth 15-16 | -10.81% | 8.26% | NA | -33.33% | 0.54% |

Membership contributions help support our Annual Fund, which is the cornerstone for sustaining the programs, partnerships, and daily operations of Sholan Farms. Memberships are valid for one year. Annual Fund membership benefits include: periodic newsletters, member functions, and discounts on apples.

The Friends of Sholan Farms relies heavily on the help and support of its members and donors. Our gross income for 2016 was \$275,433.79, which represents an increase of revenues of 22% over 2015. In 2016 three-percent of our income came from membership and two-percent from donations, while in 2006, 30% came from donations and membership dues. Membership renewals remained steady overall, with no significant increase. In early January 2014, we changed the website to allow visitors to "Join" while on the website, to date 14 new members have been added. In 2015 large membership signs were posted in the farm stand to encourage people to join. The goal is to use the new membership structure to build up members and keep them coming back. Additional attention is needed to build our business membership and to grow our organization. One of the goals for the new farmstand manager will be to network in the community and find ways to bring in more business and corporate members.

Revenue Growth and Orchard View – Grade B

| | Apples | Gross | Expense ** | Net |
|------|--------------|--------------|--------------|-------------|
| 2002 | \$9,566.28 | \$59,172.01 | \$54,167.98 | \$5,004.03 |
| 2003 | \$30,630.21 | \$106,231.80 | \$70,237.71 | \$35,994.09 |
| 2004 | \$41,026.00 | \$79,123.00 | \$76,382.00 | \$2,741.00 |
| 2005 | \$37,080.00 | \$75,573.00 | \$69,511.00 | \$6,063.00 |
| 2006 | \$56,529.03 | \$116,190.22 | \$86,906.73 | \$29,283.49 |
| 2007 | \$76,914.72 | \$157,483.52 | \$139,818.79 | \$17,664.73 |
| 2008 | \$113,655.63 | \$188,041.63 | \$126,500.98 | \$15,420.19 |

| | Apples | Gross | Expense ** | Net |
|--------------|--------------|--------------|--------------|---------------------|
| 2009 | \$128,116.59 | \$189,829.83 | \$194,043.22 | -\$41,551.56 |
| 2010 | \$122,279.09 | \$201,243.50 | \$105,312.48 | \$64,908.41 |
| 2011 | \$124,616.64 | \$201,642.70 | \$162,149.18 | \$22,667.78 |
| 2012 | \$130,634.33 | \$226,374.57 | \$184,847.41 | \$25,717.35 |
| 2013 | \$154,149.75 | \$231,141.49 | \$225,051.35 | \$6,090.14 |
| 2014 | \$108,116.70 | \$273,792.61 | \$221,321.65 | \$52,470.96 |
| 2015 | \$139,702.87 | \$214,398.73 | \$235,597.86 | -\$21,199.13 |
| 2016 | \$107,895.12 | \$275,433.79 | \$249,380.11 | \$26,053.68 |
| Growth 15-16 | -29.48% | 22.16% | 5.53% | 181.37% |

** Apples excludes crop loss insurance payout of \$ 80,994.00, Gross Revenue includes the payout.

** Expense includes depreciation of \$ 27,729.88 – note without depreciation the Net for 2016 would be \$53,785.56.

Revenue-Expense Explanations 2016

While the 2016 fiscal year results reflect an increase in revenue, apple sales decreased by 29% from \$139k in 2015 to \$107k in 2016. The 2016 year brought big disappointments and proved to be our most difficult growing year with many unwelcome challenges. Our 2016 crop production and sales were affected by several factors including a higher-than-usual occurrence of insect damage, underset of blossoms, the February temperatures dipped to -16 which resulted in the peach bud massacre, the April 7 16 degree freeze had a negative impact on apple buds, fungus damage, the severe summer drought, and increased competition from Lanni's Orchard and Hollis Hill Farm. Other factors included the overproduction in 2015 burdened the trees and prevented return bloom, pollination was hindered due to a drop in temperature to below 50 degrees during the bloom. In addition, the weather impacted the u-pick weekend sales by delivering four weekends of rain. It is clear that everything that could go wrong did go wrong and much of it was out of our control.

The apple sales decreased by 29 percent due to the decreases in crop and the previously mentioned mitigating factors. Overall revenues increased by 22 percent due to the insurance crop loss claims. The spray material/chemical account decreased by 29% from \$30k to \$26K. This account includes expenses for all chemicals used for crop maintenance including orchard, raspberries, blueberries, vegetables, pumpkins, and herbicides. (Sources: Sholan Farms observations, UMASS, New England Apple, Boston Globe)

Crop History 2012 – 2016

In spite of the small crop production we managed to stay open for U-Pick until October 30 even though most orchards shut down after Columbus Day due to lack of apples.

Orchard View Grade C

| ORCHARD | APPLE | ORCH MAINT. | Net Income Apples |
|--------------|--------------|-------------|---------------------|
| 2002 | \$9,566.28 | \$16,389.73 | (\$6,823.45) |
| 2003 | \$30,630.21 | \$14,917.35 | \$15,712.86 |
| 2004 | \$41,026.00 | \$33,950.44 | \$7,075.56 |
| 2005 | \$37,080.00 | \$30,000.34 | \$7,079.66 |
| 2006 | \$56,529.03 | \$40,906.83 | \$15,622.20 |
| 2007 | \$76,914.72 | \$50,033.66 | \$26,881.06 |
| 2008 | \$113,655.63 | \$48,114.69 | \$65,540.94 |
| 2009 | \$128,116.59 | \$45,920.44 | \$82,196.15 |
| 2010 | \$122,279.09 | \$23,605.89 | \$98,673.20 |
| 2011 | \$124,616.64 | \$38,003.12 | \$86,613.52 |
| 2012 | \$130,634.33 | \$48,181.07 | \$82,453.26 |
| 2013 | \$154,149.75 | \$39,887.68 | \$114,262.07 |
| 2014 | \$108,116.70 | \$34,623.07 | \$73,493.63 |
| 2015 | \$139,702.87 | \$34,085.44 | \$105,617.43 |
| 2016 | \$107,895.12 | \$26,362.86 | \$81,532.26 |
| Growth 15-16 | -29.48% | -29.29% | -29.54% |

Maintenance includes Pruning, Spray and Upkeep. Excludes labor.



Wildlife Habitat (WHIP Grant Update)

We continued to manage the USDA NRCS – Wildlife Habitat Incentive Program Grant (WHIP). We spent 11 years restoring the back forty – which included mowing, spreading lime and eradicating invasive plants. This successful reclamation project completed in 2015. In 2016 we began repurposing 4 acres into useable crop land. This has turned out to be a very labor intensive project. The land was never used as crop land so we encountered monstrous rocks and stones. It has taken well over three weeks to remove the rocks and more work is needed. We will continue to explore usage options such as keeping it as an open meadow, return it to agricultural land or find alternative uses for the property. In addition efforts are underway to reclaim 15 acres of abandon orchard on the southeast side of Pleasant St.

Giving Back

Our mission is to be a family oriented, recreational, and educational farm making full use of natural resources. Since our first harvest in 2001, we have worked toward being beneficial to our greater community. As successful members of the community, we have a responsibility to help those that are less fortunate and contribute to the common good. We could not do any of this without our staff, volunteers, and sponsors. Together, we are making strides in supporting our community and assisting other charitable causes. During the harvest season we made apple and pumpkin donations to the local School PTA's, churches and many other non-profit groups.

In 2015 we recognized that our crop load was greater than our needs and we contacted Boston Area Gleaners, Inc., a 501(c)(3) non-profit organization dedicated to rescuing surplus farm crops for people in need to help with the harvest. They gleaned over 200 bushels of apples that in turn were donated to Boston area food banks.

We also give back to the Mayor's energy fund through participation in the Festival of Trees. This year we donated \$1,000.

Recreational and Educational

Our mission is to be a family oriented, recreational, and educational farm making full use of natural resources. In order to fulfill this we have partnered with many organizations across the community. We are currently working with the Leominster Trail Stewards (LTS), City of Leominster Recreation Dept, and Project Apples. The trails project will include updated Kiosk Maps and trail markers throughout the property. This is part of a much larger project that is funded through a trails grant from the Massachusetts Department of Conservations and Recreation. The Trail Stewards and Recreation Dept. will be placing a trail map, directional arrows to the nearest street or parking lot, directional arrows to trail features, distances, GPS coordinates, and a QR code on each post. Each kiosk will have a map of the trail system for that area stating where you are, property usage rules, and trail features.

During 2016 Lisa Novelli led the Project Apples literacy project which installed story walk posts and boards that will bring a new and exciting addition to the property. This is the first permanent installation of information signs that will have enclosed stories. There will be 18 story boards along a trail that families will be encouraged to use. The enclosure will display stories from various books and participants will walk from one station to the next to read the story. The stories will be changed out regularly and will remain in place for a month at a time. The Friends will share the signs and will be using the displays to install information and history regarding the Sholan Farms.

Master Plan 2012 – 2016

With every new-year we set goals, priorities and budgets for the upcoming year. In 2012 and 2014, we received grants from the Community Foundation of North Central Massachusetts (www.cfncm.org) to develop a new Master Plan for Sholan Farms. We contracted Andrew T Leonard, RLA Landscape Architecture and Planning (www.atleonard.com). Andrew guided us through the process. Two Master Plan scenarios were finalized in June 2013; a working farm or an educational farm. Those Master Plans have been viewed and reviewed at a Friends meeting in September 2013. In 2014 we applied to the foundation for an additional grant to further the details of the master plan. Several meetings have been held to finalize the long-term vision of the farm. We conducted a survey and obtained input from over 400 community citizens. The outcome of the survey has led us to one plan that will be the model we use for years to come.

Team Members: Andrew Leonard, Joanne DiNardo, Bernadette Colley, Phil DeCharles, Sett Firmani, Patti LaGrassa, Andy Mercik, Jody Murray, Maribeth Pochini, Steve Smith, John Souza, and Wendy Wiiks. (Note So many people provided input and if we left your name off the list we apologize.)



Partnering For The Future

The future is bright for Sholan Farms. We became a founding member of the newly formed Central Mass Locally Grown regional organization. In addition, we have collaborated regionally with the Massachusetts Department of Agriculture, UMass Extension Service, Mass Fruit Growers Association, Association of Roadside Stands, Cornell University, and the New England McIntosh Association. Through these alliances, we have the Marketing, Advertising, and Educational Training Services of the farming industry in Massachusetts. On a local basis, we have joined the Johnny Appleseed Association and have an advertising campaign using the Edible Boston, Sentinel & Enterprise, Coffee Shop News, Telegram, Leominster Champion, LATV, WXLO, WPKX, and Social Media through Facebook and Constant Contact, and the Sholan Farms Webpage. Our volunteers and helpers come from many sources including United Way – Community Builders, Church Groups, Shriver Job Corp, City of Leominster, Leominster Trail Stewards, Rotary, Leominster Schools, Boy Scout Troops, 4-H, Youth Venture, Alternatives, and the Sheriff's Office.

Challenges for the Season Ahead – Nurturing

One of the major challenges is volunteer and member recruitment. We have already begun to address this by creating a new position with added responsibilities that will help to build up our recruitment efforts. The new manager will also be charged with becoming an ambassador to help us grow stronger in stature and in community outreach. We need stronger business involvement and need a stronger, younger volunteer base. We have worked to acknowledge our volunteers with the Appreciation Luncheon and Welcome Back BBQ but we need more community outreach. We should also reach out to all our volunteers to become members.

We believe that we have accomplished steady growth by improving our activities. We now hold the 3 day Harvest Weekend, the improved Apple Blossom Festival, and September Craft Show have all grown and bring people from all around Leominster to the farm.

Hopefully, we will see some major advancement in fundraising, sewer line work, and movement toward fulfilling the Master Plan. We have applied for grants to complete the Master Plan. To succeed in 2017 and beyond we need to clarify our mission and bolster the fine efforts of the committed volunteers. Due to our success in past years, we have become a sustainable operation. We need and must **nurture** the **orchard** and our **volunteers**. We will only be successful if we all pull together and work as a team. It will take everyone's help: individuals, businesses, Friends, and elected officials. We must recruit new board members. The challenge is to re-establish the **work teams**, which will help to clarify the important roles that each volunteer serves. In addition, we need to establish **guidelines** for team leaders, recruit team leaders, and **empower** them to be able to do their jobs. We need to keep **open, honest and timely communications** between the volunteers, team, and the board. Listed below are several of the work teams.

1. Orchard Manager – Empower, Train and Support – Mike Meehan & Staff
2. Farm Stand Manager – Empower Train and Support
3. Volunteer Recruitment and Retention – Farm Stand Manager & Board
4. Master Plan, Fundraising & Grant Writing – Team Leader – Joanne DiNardo
5. Orchard Expansion Team – Planting, Pruning, Nurturing, IPM – Joanne DiNardo, Mike Meehan and Steve Smith
6. Membership Team to grow the membership, Team Leader Steve Smith
7. Off Site Sales Fitchburg and Leominster Farmers Markets – Mike Meehan
8. School Tour Guide Team – The team will develop the plan and schedule to conduct tours. (responsibilities include: mailing to schools, pricing per student, Red Cross Safety course, and tour content) – Pat Sousa
9. Business Planning & Formal Business Plan - New 10 Year Plan needed – Team Leader Joanne DiNardo
10. Finance – Andy Mercik – Team Leader
11. Festivals and Activities (Includes ABF, Fall Festival and Cream of the Crop) Team Leader Patti LaGrassa
12. New Crops and expansions – Team Leader – Operations Team
13. Restore Water Tower – (AKA former Spray Program) Joanne DiNardo
14. Newsletter – Patti LaGrassa
15. Trail, Outreach & Recreation Team

Respectfully Submitted Board of Directors

Attachments:

Balance Sheet

Profit and Loss Summary

Profit and Loss by Category

Master Plan Representative Images

Note: Financial – Detailed Profit and Loss – Available by request

[Live your beliefs and you can turn the world around](#) [Henry David Thoreau](#), American essayist, poet and philosopher, 1817-1862

Balance Sheet

As of December 31, 2016

| | <u>Dec 31, 16</u> |
|---|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000 · Bank Accounts - Checking | |
| 1010 · Fidelity Checking 80006679 (Operating Account) | 36,123.61 |
| 1015 · PayPal Holding | 990.15 |
| Total 1000 · Bank Accounts - Checking | <u>37,113.76</u> |
| 1100 · Bank Accounts - Savings | |
| 1110 · Fidelity Savings 30329171 (Money Market Savings) | 176,442.03 |
| Total 1100 · Bank Accounts - Savings | <u>176,442.03</u> |
| 1130 · Investment Funds | |
| 1132 · CF Development Fund | 12,653.47 |
| 1134 · Edward Jones Building | 40,788.76 |
| Total 1130 · Investment Funds | <u>53,442.23</u> |
| Total Checking/Savings | 266,998.02 |
| Accounts Receivable | |
| 1200 · Accounts Receivable | |
| 1202 · AR - Wholesale | 796.00 |
| 1200 · Accounts Receivable - Other | 2,900.00 |
| Total 1200 · Accounts Receivable | <u>3,696.00</u> |
| Total Accounts Receivable | <u>3,696.00</u> |
| Total Current Assets | 270,694.02 |
| Fixed Assets | |
| 1800 · Fixed Assets | |
| 1820 · Fixed Assets - Buildings | |
| 1820.02 · Farm Stand Addition | 30,334.00 |
| Total 1820 · Fixed Assets - Buildings | <u>30,334.00</u> |
| 1830 · Fixed Assests - Farm Equipment | |
| 1830.02 · Sprayer- Rears 300 GI MiniBlast | 9,000.00 |
| 1830.06 · Rear mount rotary mower | 2,300.00 |
| 1830.07 · Crop Care T200 Sprayer | 4,147.00 |
| 1830.08 · Trailer Refrigeration | 3,100.00 |
| 1830.09 · Berry Irrigation | 11,165.00 |
| 1830.10 · Equip - Disc Harrow | 2,200.00 |
| Total 1830 · Fixed Assests - Farm Equipment | <u>31,912.00</u> |
| 1840 · Tractors | |
| 1840.04 · Tractor - Simplicity Legacy XL | 6,000.00 |
| 1840.05 · John Deere 5093 Tractor | 35,605.91 |
| 1840.06 · John Deere 5085 Tractor | 60,447.00 |
| Total 1840 · Tractors | <u>102,052.91</u> |
| 1850 · Vehicles | |
| 1850.01 · Vehicle - Ford Truck | 4,100.00 |
| Total 1850 · Vehicles | <u>4,100.00</u> |
| 1860 · Farm Stand Equipment | |
| 1860.02 · Federal Open Case Cooler | 2,750.00 |
| Total 1860 · Farm Stand Equipment | <u>2,750.00</u> |
| Total 1800 · Fixed Assets | 171,148.91 |
| 1900 · Accumulated Depreciation | |
| 1911 · Accum. Depr - Sprayer | -9,000.00 |
| 1920 · Accum Depr - Buildings | -15,167.00 |

Friends of Sholan Farms, Inc.

06/13/17

Balance Sheet

Accrual Basis

As of December 31, 2016

| | <u>Dec 31, 16</u> |
|--|--------------------------|
| 1930 · Accum Depr -Farm Equipment | -13,423.60 |
| 1940 · Accum Depr - Tractors | -63,631.74 |
| 1950 · Accumulated Depr - Vehicles | -4,100.00 |
| Total 1900 · Accumulated Depreciation | <u>-105,322.34</u> |
| Total Fixed Assets | <u>65,826.57</u> |
| TOTAL ASSETS | <u>336,520.59</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 · Accounts Payable | -751.18 |
| Total Accounts Payable | <u>-751.18</u> |
| Credit Cards | |
| 2050 · Credit Card Accounts | |
| 2050.05 · BJ's Charge Account | 69.06 |
| Total 2050 · Credit Card Accounts | <u>69.06</u> |
| Total Credit Cards | 69.06 |
| Other Current Liabilities | |
| 2200 · Taxes Payable | |
| 2200.02 · Sales Tax - Stand | 1,465.48 |
| 2200.03 · Meals Tax Payable | 101.63 |
| Total 2200 · Taxes Payable | <u>1,567.11</u> |
| 2550 · Accruals | |
| 2550.01 · Accrued Expenses | 2,088.00 |
| Total 2550 · Accruals | <u>2,088.00</u> |
| Total Other Current Liabilities | <u>3,655.11</u> |
| Total Current Liabilities | <u>2,972.99</u> |
| Long Term Liabilities | |
| 2600 · John Deere Credit | |
| 2600.02 · Crop Care T200 Sprayer | 1,751.30 |
| 2600.03 · John Deere 5093 Tractor | 8,189.38 |
| 2600.04 · John Deere 5085 Tractor | 32,368.20 |
| Total 2600 · John Deere Credit | <u>42,308.88</u> |
| Total Long Term Liabilities | <u>42,308.88</u> |
| Total Liabilities | <u>45,281.87</u> |
| Equity | |
| 3000 · Opening Bal Equity | 25,328.43 |
| 3100 · Retained Earnings - Restricted | |
| 3100.02 · RE - Handicap Orchard | 500.00 |
| Total 3100 · Retained Earnings - Restricted | <u>500.00</u> |
| 3200 · Retained Earnings - Operating | 237,189.84 |
| Net Income | 28,220.45 |
| Total Equity | <u>291,238.72</u> |
| TOTAL LIABILITIES & EQUITY | <u>336,520.59</u> |

Profit & Loss

January through December 2016

| | Jan - Dec 16 |
|---|--------------|
| Ordinary Income/Expense | |
| Income | |
| 4000 · Revenue | |
| 4001 · Product Sales | |
| 4100 · Apples | |
| 4100.01 · Apple 1/4 Peck | |
| 4102.01 · Apple 1/4 Peck | 5.75 |
| Total 4100.01 · Apple 1/4 Peck | 5.75 |
| 4100.04 · Apple 1/2 Peck | |
| 4104.01 · Apple 1/2 Peck | 40,145.00 |
| Total 4100.04 · Apple 1/2 Peck | 40,145.00 |
| 4100.06 · Apple 1 Peck | |
| 4106.01 · Apple 1 Peck | 23,777.00 |
| Total 4100.06 · Apple 1 Peck | 23,777.00 |
| 4100.08 · Apple 1/2 Bushel | |
| 4108.01 · Apple 1/2 Bushel | 15,094.75 |
| Total 4100.08 · Apple 1/2 Bushel | 15,094.75 |
| 4100.10 · Apple 1 Bushel | |
| 4110.01 · Apple 1 Bushel | 475.00 |
| Total 4100.10 · Apple 1 Bushel | 475.00 |
| 4100.12 · Apples - 3lb Bag | 260.00 |
| 4114 · Apple Misc Sales | |
| 4114.10 · Apples - Discounted | 190.00 |
| 4114.01 · Apples - Orchard Run | 1,957.52 |
| 4114.02 · Apples - Drop | 2,015.30 |
| 4114.06 · Apples - Misc | 2,188.00 |
| Total 4114 · Apple Misc Sales | 6,350.82 |
| 4119 · Apples Insurance (Insurace claim for year) | 80,994.00 |
| Total 4100 · Apples | 167,102.32 |
| 4130 · Wholesale Sales | |
| 4132 · Wholesale Apples | |
| 4132.01 · Apple School Sales | 13,090.00 |
| 4132.02 · Cider Apples | 3,220.80 |
| 4132.03 · Apples - Wholesale | 5,476.00 |
| Total 4132 · Wholesale Apples | 21,786.80 |
| 4134 · Wholesale Berries | |
| 4134.01 · Wholesale Raspberries | 76.00 |
| 4134.02 · Wholesale Blueberries | 126.00 |
| Total 4134 · Wholesale Berries | 202.00 |
| 4136 · Wholesale Produce | 1,461.00 |
| 4137 · Wholesale Pumpkins | 791.00 |
| Total 4130 · Wholesale Sales | 24,240.80 |
| 4150 · Apple Wood | |
| 4152 · Wood - Bundle | 208.00 |
| 4154 · Wood - Bin | 77.00 |
| Total 4150 · Apple Wood | 285.00 |
| 4166 · Pumpkin | 8,887.16 |
| 4170 · Farm Products | |
| 4170.02 · Produce - Vegetable | 4,633.39 |
| 4170.05 · Produce - Gourds | 921.16 |

Profit & Loss

January through December 2016

| | Jan - Dec 16 |
|--|-------------------|
| 4170.06 · Goat Cheese | 39.00 |
| Total 4170 · Farm Products | 5,593.55 |
| 4180 · Berry Income | |
| 4182 · Raspberries | 2,720.00 |
| 4184 · Blueberries | 2,130.75 |
| Total 4180 · Berry Income | 4,850.75 |
| 4190 · Adjustments to Income | |
| 4192 · Discounts - Coupons | -258.00 |
| 4194 · Discounts - Members | -976.25 |
| 4196 · Discounts - Volunteers | -1,188.50 |
| 4198 · Cash Over/Short | -599.09 |
| Total 4190 · Adjustments to Income | -3,021.84 |
| Total 4001 · Product Sales | 207,937.74 |
| 4200 · Retail Sales | |
| 4210 · Retail Sales - Taxable | |
| 4218 · Merchandise Taxable | 488.56 |
| 4220 · Consignment Sales - Taxable | 1,561.37 |
| 4240 · Christmas Trees | 20,995.77 |
| 4242 · Christmas Merchandise | 447.01 |
| Total 4210 · Retail Sales - Taxable | 23,492.71 |
| 4250 · Retail Sales - Non Taxable | |
| 4252 · Crisp Mix | 2,194.00 |
| 4254 · Cider | 4,835.50 |
| 4256 · Jelly | 695.00 |
| 4262 · Honey | |
| 4262.03 · Regular Honey | 1,679.00 |
| Total 4262 · Honey | 1,679.00 |
| 4264 · Clothing | 1,333.00 |
| 4265 · Stand Items | |
| 4265.01 · Candy | 158.25 |
| 4265.02 · Chips / Snacks | 83.50 |
| 4265.03 · Honey Sticks | 664.75 |
| 4265.04 · Candy Apples | 3,927.00 |
| Total 4265 · Stand Items | 4,833.50 |
| 4266 · Merchandise No Tax | 509.25 |
| 4268 · Consignment Sales-No Tax | 885.25 |
| Total 4250 · Retail Sales - Non Taxable | 16,964.50 |
| Total 4200 · Retail Sales | 40,457.21 |
| 4270 · Concession Sales (Food) | |
| 4272 · Prepared Food | |
| 4272.06 · Pastry | 531.52 |
| 4272.08 · Pie Slices | 167.50 |
| 4272.09 · Cookie | 745.50 |
| 4272.10 · Other Food | 134.00 |
| 4272.14 · Whole Pies | 1,145.50 |
| 4272.16 · Cider Donuts | 1,314.72 |
| Total 4272 · Prepared Food | 4,038.74 |
| 4276 · Beverages (Glass) | 47.05 |
| 4278 · Cans / Bottles | 764.70 |
| 4282 · Outside Vendor | 810.00 |
| Total 4270 · Concession Sales (Food) | 5,660.49 |

Friends of Sholan Farms, Inc.

06/13/17

Profit & Loss

Accrual Basis

January through December 2016

| | Jan - Dec 16 |
|---|--------------|
| 4300 · Activity Revenue | |
| 4310 · Tours | |
| 4312 · School Tours | 5,625.00 |
| 4314 · Party Tours | 205.00 |
| Total 4310 · Tours | 5,830.00 |
| 4350 · Rental Income | 400.00 |
| 4360 · Garden Plots | |
| 4361 · Individual Plots | 1,625.00 |
| 4362 · Group Plots | 75.00 |
| Total 4360 · Garden Plots | 1,700.00 |
| Total 4300 · Activity Revenue | 7,930.00 |
| 4500 · Contributions, Gifts and Grants | |
| 4560 · Sponsorship | 12,825.00 |
| 4580 · Membership | 5,525.00 |
| 4600 · Donations | |
| 4610 · Donations - Cash | |
| 4611 · Donations - Barn | 200.00 |
| 4617 · Donations - In Memory of | 200.00 |
| 4618 · Wagon Donations | 39.00 |
| 4620 · Donations - Miscellaneous | 4,520.80 |
| Total 4610 · Donations - Cash | 4,959.80 |
| Total 4600 · Donations | 4,959.80 |
| 4700 · Grants | |
| 4704 · Grants - City -Cultural Council | 1,600.00 |
| 4708 · Grants - State | 500.00 |
| Total 4700 · Grants | 2,100.00 |
| Total 4500 · Contributions, Gifts and Grants | 25,409.80 |
| 4800 · Other Revenue | |
| 4810 · Solar Energy | 2,544.62 |
| 4812 · Interest Income | 183.51 |
| 4814 · Miscellaneous Income | 30.00 |
| 4860 · Activities/Festivals Revenue | |
| 4860.03 · Rental Revenue | 3,155.00 |
| 4860.04 · Activities Revenue | 120.00 |
| 4860.05 · Games/Rides Revenue | 857.75 |
| 4860.09 · Outside Vendors | 2,165.00 |
| 4860.11 · Raffle Revenue | 1,677.00 |
| 4860.12 · Butterfly Release (ABF) | 775.00 |
| Total 4860 · Activities/Festivals Revenue | 8,749.75 |
| Total 4800 · Other Revenue | 11,507.88 |
| Total 4000 · Revenue | 298,903.12 |
| 4950 · Investment Activity | |
| 4952 · Investment Interest/Dividends | 710.35 |
| Total 4950 · Investment Activity | 710.35 |
| Total Income | 299,613.47 |
| Cost of Goods Sold | |
| 5300 · Cost of Goods Sold - Retail | |
| 5306 · COGS Retail - Clothing (Hats, Tees, Scarves, Sweats) | 1,358.00 |
| 5352 · COGS Retail - Crisp Mix | 259.42 |
| 5354 · COGS Retail - Cider | 2,970.65 |
| 5356 · COGS Retail - Jelly | 495.00 |
| 5358 · COGS Retail - Candy Apples | 1,774.00 |

Profit & Loss

January through December 2016

| | Jan - Dec 16 |
|---|-------------------|
| 5360 · COGS Retail - Chips/Snacks | 103.95 |
| 5362 · COGS Retail - Honey | 912.00 |
| 5368 · COGS Retail - Candy | 592.69 |
| 5370 · COGS Retail - Consignment | 1,929.54 |
| Total 5300 · Cost of Goods Sold - Retail | 10,395.25 |
| 5500 · Cost of Goods Sold - Products | |
| 5556 · COGS - Produce | 50.00 |
| 5580 · COGS-Christmas Trees | 11,264.40 |
| Total 5500 · Cost of Goods Sold - Products | 11,314.40 |
| 5800 · Cost of Goods Sold - Concession | |
| 5802 · COGS Concession - Food | 803.47 |
| 5810 · COGS - Bakery | |
| 5810.01 · COGS - Pies | 720.00 |
| 5810.02 · COGS - Cookies | 492.10 |
| 5810.05 · COGS - Donuts | 454.46 |
| Total 5810 · COGS - Bakery | 1,666.56 |
| Total 5800 · Cost of Goods Sold - Concession | 2,470.03 |
| Total COGS | 24,179.68 |
| Gross Profit | 275,433.79 |
| Expense | |
| 7000 · Salary & Wages | |
| 7002 · Salary & Wages Farm Operations | 49,559.98 |
| 7004 · Salary & Wages Farm Stand | 8,743.25 |
| 7006 · Salary & Wages Pickers | 5,121.00 |
| 7009 · Payroll Expenses | 1,628.00 |
| Total 7000 · Salary & Wages | 65,052.23 |
| 7020 · Employee Benefits | |
| 7022 · Health Insurance | 8,056.89 |
| Total 7020 · Employee Benefits | 8,056.89 |
| 7030 · Payroll Taxes | |
| 7032 · Social Security | 4,033.26 |
| 7034 · Medicare | 943.25 |
| 7036 · Unemployment | 664.04 |
| 7038 · Worker's Compensation | 4,033.00 |
| Total 7030 · Payroll Taxes | 9,673.55 |
| 8010 · Professional Services | |
| 8020 · Professional Fees | |
| 8020.02 · Entertainment | 4,400.00 |
| 8020.03 · Land Clearing | 23,930.00 |
| 8020.04 · Weather Service | 490.00 |
| 8020.05 · Tree Pruning | 1,364.00 |
| Total 8020 · Professional Fees | 30,184.00 |
| Total 8010 · Professional Services | 30,184.00 |
| 8060 · Advertising | |
| 8061 · Advertising - Signs (A-frames, banners) | 329.06 |
| 8062 · Display Sign | 2,193.50 |
| 8063 · Banners | 141.38 |
| 8064 · Advertising - Print | 10,146.00 |
| 8065 · Advertising - Radio/TV | 3,177.00 |
| Total 8060 · Advertising | 15,986.94 |
| 8110 · Office Expense | |

Friends of Sholan Farms, Inc.

Profit & Loss

06/13/17

January through December 2016

Accrual Basis

| | Jan - Dec 16 |
|--|--------------|
| 8111 · Office Supplies | 1,058.71 |
| 8112 · Postage / Freight | |
| 8112.01 · Postage / Shipping | 857.19 |
| 8112.02 · Postal Fees (PO Box & Permits) | 349.00 |
| Total 8112 · Postage / Freight | 1,206.19 |
| 8114 · Printing and Publications | |
| 8114.01 · Printing and Reproductions | 4,433.06 |
| 8114.04 · Computer Supplies | 48.00 |
| Total 8114 · Printing and Publications | 4,481.06 |
| 8115 · Bank Service Charges | 10.00 |
| 8116 · Credit Card Fees | |
| 8116.01 · Processor Fee | 1,328.69 |
| 8116.02 · Exchange Fees | 144.60 |
| 8116.03 · Monthly Fees | 74.98 |
| 8116.04 · PayPal Fee | 14.45 |
| 8116.05 · Authorization Fees | 516.12 |
| Total 8116 · Credit Card Fees | 2,078.84 |
| 8117 · Payroll Service Fees | 908.66 |
| 8118 · Late Fees | 69.00 |
| 8122 · Dues and Subscriptions | 360.00 |
| 8125 · Licenses, Permits & Fees | 160.00 |
| 8126 · Membership Fees | 1,727.20 |
| Total 8110 · Office Expense | 12,059.66 |
| 8160 · Occupancy | |
| 8162 · Utilities | |
| 8162.01 · Electric | 3,032.62 |
| 8162.03 · Restroom Service | 2,281.50 |
| 8162.04 · Trash Removal | 974.79 |
| Total 8162 · Utilities | 6,288.91 |
| 8166 · Repairs & Maint | |
| 8166.01 · Buildings | 432.72 |
| 8166.02 · Electrical Work | 388.60 |
| 8166.03 · Grounds Maintenance | 2,937.87 |
| Total 8166 · Repairs & Maint | 3,759.19 |
| Total 8160 · Occupancy | 10,048.10 |
| 8210 · Conf/Seminars/Meetins | |
| 8212 · Conference/Seminars | -85.00 |
| 8214 · Meetings/Events | |
| 8214.02 · Volunteer | 3,122.53 |
| 8214 · Meetings/Events - Other | -73.44 |
| Total 8214 · Meetings/Events | 3,049.09 |
| 8216 · Training | 195.00 |
| Total 8210 · Conf/Seminars/Meetins | 3,159.09 |
| 8260 · Interest Expense | |
| 8262 · Finance Charge | 12.84 |
| 8264 · Loan Interest | 756.40 |
| Total 8260 · Interest Expense | 769.24 |
| 8310 · Depreciation | 27,729.88 |
| 8360 · Insurance | |
| 8362 · Crop Insurance | 7,672.00 |
| 8364 · Buildings and Contents | 1,385.50 |

Friends of Sholan Farms, Inc.

Profit & Loss

06/13/17

January through December 2016

Accrual Basis

| | Jan - Dec 16 |
|--|------------------|
| 8366 · Liability Insurance | 1,078.00 |
| 8368 · Farm Personal Property | 1,557.00 |
| 8372 · Vehicles Insurance | 564.00 |
| 8374 · Pollution Insurance | 622.00 |
| 8376 · Board Insurance | 735.00 |
| Total 8360 · Insurance | 13,613.50 |
| 8410 · Supplies | |
| 8412 · Farm Supplies | |
| 8412.01 · Breeding / Polination | 2,088.00 |
| 8412.03 · Landscaping (Landscaping) | 462.00 |
| 8412.04 · New Plants/Seeds (Trees, Plants, Bushes, etc.) | 3,810.61 |
| 8412.06 · Pest Management | 336.85 |
| 8412.07 · Spray Material/Chemicals | 18,525.88 |
| 8412.08 · Chemical's for Planting | 35.97 |
| 8412.10 · Soil Tests | 231.20 |
| 8412.11 · Planting Supplies | 450.00 |
| 8412.12 · Worker Protection | 406.40 |
| 8412.15 · Pruning Supplies | 15.95 |
| Total 8412 · Farm Supplies | 26,362.86 |
| 8422 · Other Supplies | |
| 8422.01 · Festival Supplies/Expense | 993.74 |
| 8422.02 · Bags & Boxes (For Picking Apples) | 5,399.30 |
| 8422.03 · Farm Stand Supplies | 30.28 |
| 8422.05 · Supplies - Christmas | 757.63 |
| 8422.06 · Volunteer Food | 631.46 |
| 8422.07 · Miscellaneous Supplies | 150.13 |
| 8422.10 · Tours Supplies/Expense | 37.90 |
| Total 8422 · Other Supplies | 8,000.44 |
| Total 8410 · Supplies | 34,363.30 |
| 8460 · Rentals | |
| 8462 · Tent Rentals | 2,260.00 |
| 8464 · Festival Rentals | 1,274.75 |
| 8466 · Truck Rental | 295.78 |
| 8468 · Misc. Rentals | 324.50 |
| Total 8460 · Rentals | 4,155.03 |
| 8510 · Equipment | |
| 8512 · Equipment Purchases <5,000 | 759.93 |
| 8530 · Repairs & Maintenance | |
| 8531 · Stand Equipment | 1,338.76 |
| 8532 · Farm Equipment | 6,655.38 |
| 8530 · Repairs & Maintenance - Other | 9.99 |
| Total 8530 · Repairs & Maintenance | 8,004.13 |
| Total 8510 · Equipment | 8,764.06 |
| 8560 · Communication | |
| 8562 · Telephone | |
| 8562.01 · Land Line Phone | 1,308.83 |
| Total 8562 · Telephone | 1,308.83 |
| 8566 · Internet Service | 952.16 |
| 8568 · Member Contact | 807.81 |
| Total 8560 · Communication | 3,068.80 |
| 8610 · Vehicle Expense | |
| 8614 · Vehicle Repair & Maint. | 424.00 |
| 8616 · Gasoline for Farm Equipment | 646.36 |

Profit & Loss

January through December 2016

| | <u>Jan - Dec 16</u> |
|---------------------------------------|-------------------------|
| 8618 · Deisel Fuel | 1,511.49 |
| Total 8610 · Vehicle Expense | 2,581.85 |
| 8810 · Investment Expense | 113.99 |
| Total Expense | 249,380.11 |
| Net Ordinary Income | 26,053.68 |
| Other Income/Expense | |
| Other Income | |
| 9920 · Unrealized Gain/Loss on Invest | 2,166.77 |
| Total Other Income | 2,166.77 |
| Net Other Income | 2,166.77 |
| Net Income | <u><u>28,220.45</u></u> |

Friends of Sholan Farms, Inc.
Profit & Loss by Class
January through December 2016

| | Apple | | | | | | Total Operations |
|--|------------------|------------------|--------------------|-----------------|-----------------|------------------|-------------------|
| | Blossom Festival | Christmas Trees | Fall Crafter Event | Farmer's Market | Harvest Weekend | Wholesale | Operations |
| Ordinary Income/Expense | | | | | | | |
| Income | | | | | | | |
| 4000 · Revenue | | | | | | | |
| 4001 · Product Sales | 0.00 | 0.00 | 0.00 | 5,521.20 | 0.00 | 21,535.00 | 180,878.95 |
| 4200 · Retail Sales | 0.00 | 21,442.78 | 0.00 | 10.00 | 0.00 | 21.00 | 10.50 |
| 4270 · Concession Sales (Food) | 1,152.97 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4300 · Activity Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,100.00 |
| 4500 · Contributions, Gifts and Grants | 5,265.65 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,811.15 |
| 4800 · Other Revenue | 7,320.75 | 0.00 | 785.00 | 0.00 | 479.00 | 0.00 | 2,883.13 |
| Total 4000 · Revenue | 13,739.37 | 21,442.78 | 785.00 | 5,531.20 | 479.00 | 21,556.00 | 197,683.73 |
| 4950 · Investment Activity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 710.35 |
| Total Income | 13,739.37 | 21,442.78 | 785.00 | 5,531.20 | 479.00 | 21,556.00 | 198,394.08 |
| Cost of Goods Sold | | | | | | | |
| 5300 · Cost of Goods Sold - Retail | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5500 · Cost of Goods Sold - Products | 0.00 | 11,264.40 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| 5800 · Cost of Goods Sold - Concession | 61.82 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total COGS | 61.82 | 11,264.40 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Gross Profit | 13,677.55 | 10,178.38 | 785.00 | 5,531.20 | 479.00 | 21,556.00 | 198,344.08 |
| Expense | | | | | | | |
| 7000 · Salary & Wages | 0.00 | 3,572.00 | 0.00 | 0.00 | 0.00 | 0.00 | 61,480.23 |
| 7020 · Employee Benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,056.89 |
| 7030 · Payroll Taxes | 0.00 | 327.43 | 0.00 | 0.00 | 0.00 | 0.00 | 9,346.12 |
| 8010 · Professional Services | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 28,884.00 |
| 8060 · Advertising | 2,173.90 | 703.10 | 0.00 | 0.00 | 0.00 | 0.00 | 13,813.04 |
| 8110 · Office Expense | 1,714.70 | 229.69 | 0.00 | 150.00 | 0.00 | 0.00 | 9,900.23 |
| 8160 · Occupancy | 176.00 | 710.14 | 0.00 | 0.00 | 0.00 | 0.00 | 9,872.10 |
| 8210 · Conf/Seminars/Meetings | 71.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,971.28 |
| 8260 · Interest Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 769.24 |
| 8310 · Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27,729.88 |
| 8360 · Insurance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,613.50 |
| 8410 · Supplies | 854.97 | 757.63 | 0.00 | 0.00 | 51.04 | 0.00 | 32,557.42 |
| 8460 · Rentals | 1,971.25 | 0.00 | 0.00 | 0.00 | 132.50 | 0.00 | 2,051.28 |
| 8510 · Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,764.06 |
| 8560 · Communication | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,068.80 |
| 8610 · Vehicle Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,581.85 |
| 8810 · Investment Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 113.99 |
| Total Expense | 8,262.24 | 6,299.99 | 0.00 | 150.00 | 183.54 | 0.00 | 234,140.67 |
| Net Ordinary Income | 5,415.31 | 3,878.39 | 785.00 | 5,381.20 | 295.46 | 21,556.00 | -35,796.59 |
| Other Income/Expense | | | | | | | |
| Other Income | | | | | | | |
| 9920 · Unrealized Gain/Loss on Invest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Total Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Net Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Net Income | 5,415.31 | 3,878.39 | 785.00 | 5,381.20 | 295.46 | 21,556.00 | -33,629.82 |

Friends of Sholan Farms, Inc.
Profit & Loss by Class
January through December 2016

| | Consignment | Retail | Total Retail | Sponsor Program (Water Tower) | Tours | TOTAL |
|--|-----------------|------------------|------------------|----------------------------------|-----------------|-------------------|
| Ordinary Income/Expense | | | | | | |
| Income | | | | | | |
| 4000 · Revenue | | | | | | |
| 4001 · Product Sales | 0.00 | 2.59 | 2.59 | 0.00 | 0.00 | 207,937.74 |
| 4200 · Retail Sales | 2,446.62 | 16,526.31 | 18,972.93 | 0.00 | 0.00 | 40,457.21 |
| 4270 · Concession Sales (Food) | 0.00 | 4,507.52 | 4,507.52 | 0.00 | 0.00 | 5,660.49 |
| 4300 · Activity Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 5,830.00 | 7,930.00 |
| 4500 · Contributions, Gifts and Grants | 0.00 | 0.00 | 0.00 | 8,300.00 | 33.00 | 25,409.80 |
| 4800 · Other Revenue | 0.00 | 40.00 | 40.00 | 0.00 | 0.00 | 11,507.88 |
| Total 4000 · Revenue | 2,446.62 | 21,076.42 | 23,523.04 | 8,300.00 | 5,863.00 | 298,903.12 |
| 4950 · Investment Activity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 710.35 |
| Total Income | 2,446.62 | 21,076.42 | 23,523.04 | 8,300.00 | 5,863.00 | 299,613.47 |
| Cost of Goods Sold | | | | | | |
| 5300 · Cost of Goods Sold - Retail | 1,929.54 | 8,465.71 | 10,395.25 | 0.00 | 0.00 | 10,395.25 |
| 5500 · Cost of Goods Sold - Products | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,314.40 |
| 5800 · Cost of Goods Sold - Concession | 0.00 | 2,408.21 | 2,408.21 | 0.00 | 0.00 | 2,470.03 |
| Total COGS | 1,929.54 | 10,873.92 | 12,803.46 | 0.00 | 0.00 | 24,179.68 |
| Gross Profit | 517.08 | 10,202.50 | 10,719.58 | 8,300.00 | 5,863.00 | 275,433.79 |
| Expense | | | | | | |
| 7000 · Salary & Wages | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 65,052.23 |
| 7020 · Employee Benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,056.89 |
| 7030 · Payroll Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,673.55 |
| 8010 · Professional Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,184.00 |
| 8060 · Advertising | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,986.94 |
| 8110 · Office Expense | 0.00 | 18.04 | 18.04 | 0.00 | 47.00 | 12,059.66 |
| 8160 · Occupancy | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,048.10 |
| 8210 · Conf/Seminars/Meetings | 0.00 | 0.00 | 0.00 | 0.00 | 116.39 | 3,159.09 |
| 8260 · Interest Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 769.24 |
| 8310 · Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27,729.88 |
| 8360 · Insurance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,613.50 |
| 8410 · Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 162.24 | 34,363.30 |
| 8460 · Rentals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,155.03 |
| 8510 · Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,764.06 |
| 8560 · Communication | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,068.80 |
| 8610 · Vehicle Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,581.85 |
| 8810 · Investment Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 113.99 |
| Total Expense | 0.00 | 18.04 | 18.04 | 0.00 | 325.63 | 249,380.11 |
| Net Ordinary Income | 517.08 | 10,184.46 | 10,701.54 | 8,300.00 | 5,537.37 | 26,053.68 |
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| 9920 · Unrealized Gain/Loss on Invest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Total Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Net Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,166.77 |
| Net Income | 517.08 | 10,184.46 | 10,701.54 | 8,300.00 | 5,537.37 | 28,220.45 |

