

THE BRANCH OF NASHVILLE, INC.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022 AND 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Branch of Nashville, Inc.  
Antioch, Tennessee

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying financial statements of The Branch of Nashville, Inc., a Tennessee nonprofit (the "Organization") which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Branch of Nashville, Inc., as of December 31, 2022 and 2021, 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.

#### BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
June 28, 2023

THE BRANCH OF NASHVILLE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash		\$ 431,025	\$ 194,213
Contributions receivable		32,000	26,350
Employee Retention Credits receivable		-	81,113
Inventory		60,446	45,023
Prepaid expenses		2,980	500
Property and equipment, net		<u>81,943</u>	<u>52,070</u>
TOTAL ASSETS		<u>\$ 608,394</u>	<u>\$ 399,269</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES			
Accounts payable and accrued expenses		<u>\$ -</u>	<u>\$ 2,238</u>
TOTAL LIABILITIES		<u>-</u>	<u>2,238</u>
NET ASSETS			
Without donor restrictions		476,146	324,707
With donor restrictions		<u>132,248</u>	<u>72,324</u>
TOTAL NET ASSETS		<u>608,394</u>	<u>397,031</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 608,394</u>	<u>\$ 399,269</u>

See accompanying notes to financial statements.

THE BRANCH OF NASHVILLE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions and foundation grants	\$ 440,679	\$ 287,757	\$ 728,436	\$ 249,077	\$ 130,060	\$ 379,137
Donated food revenue	2,311,702	-	2,311,702	2,658,141	-	2,658,141
Other gifts in kind	88,934	-	88,934	78,060	-	78,060
Government grant - Employee Retention Credits	-	-	-	81,113	-	81,113
Tuition revenue	46,664	-	46,664	51,330	-	51,330
Miscellaneous	38	-	38	863	-	863
Net assets released from restrictions	227,833	(227,833)	-	117,936	(117,936)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,115,850</b>	<b>59,924</b>	<b>3,175,774</b>	<b>3,236,520</b>	<b>12,124</b>	<b>3,248,644</b>
EXPENSES						
Program services	2,825,792	-	2,825,792	2,952,387	-	2,952,387
Supporting services:						
Management and general	110,445	-	110,445	84,548	-	84,548
Fundraising	28,174	-	28,174	32,772	-	32,772
<b>TOTAL EXPENSES</b>	<b>2,964,411</b>	<b>-</b>	<b>2,964,411</b>	<b>3,069,707</b>	<b>-</b>	<b>3,069,707</b>
<b>CHANGE IN NET ASSETS</b>	<b>151,439</b>	<b>59,924</b>	<b>211,363</b>	<b>166,813</b>	<b>12,124</b>	<b>178,937</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>324,707</b>	<b>72,324</b>	<b>397,031</b>	<b>157,894</b>	<b>60,200</b>	<b>218,094</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 476,146</b>	<b>\$ 132,248</b>	<b>\$ 608,394</b>	<b>\$ 324,707</b>	<b>\$ 72,324</b>	<b>\$ 397,031</b>

See accompanying notes to financial statements.

THE BRANCH OF NASHVILLE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 211,363	\$ 178,937
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	10,325	5,904
Donated property and equipment	-	(28,800)
(Increase) decrease in:		
Contributions receivable	(5,650)	(26,017)
Employee Retention Credits receivable	81,113	(81,113)
Inventory	(15,423)	(44,643)
Prepaid expenses	(2,480)	(500)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(2,238)</u>	<u>2,046</u>
TOTAL ADJUSTMENTS	<u>65,647</u>	<u>(173,123)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>277,010</u>	<u>5,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(40,198)</u>	<u>(5,602)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(40,198)</u>	<u>(5,602)</u>
NET CHANGE IN CASH	236,812	212
CASH - BEGINNING OF YEAR	<u>194,213</u>	<u>194,001</u>
CASH - END OF YEAR	<u>\$ 431,025</u>	<u>\$ 194,213</u>

See accompanying notes to financial statements.

THE BRANCH OF NASHVILLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES					SUPPORTING SERVICES		
	FOOD PANTRY	ESL CLASSES	AFGHAN RELIEF	FRESH SOLUTIONS	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	Total
Salaries and wages	\$ 121,133	\$ 90,312	\$ 29,081	\$ -	\$ 240,526	\$ 64,415	\$ 15,496	\$ 320,437
Payroll taxes	10,197	7,468	2,435	-	20,100	5,274	1,163	26,537
 SALARIES AND RELATED EXPENSES	 131,330	 97,780	 31,516	 -	 260,626	 69,689	 16,659	 346,974
Food distributed	2,289,775	-	67,828	-	2,357,603	-	-	2,357,603
Delivery charges	62,219	-	491	-	62,710	-	-	62,710
Conferences and meetings	-	22	-	-	22	1,420	-	1,442
Depreciation	7,566	1,950	-	-	9,516	703	106	10,325
Direct benefits to clients	9,413	3,342	-	-	12,755	39	-	12,794
Event expenses	-	-	-	-	-	-	9,471	9,471
Facility costs	55,630	7,487	3,343	-	66,460	6,376	747	73,583
Insurance	5,914	1,848	-	-	7,762	1,731	255	9,748
Office expenses	4,111	888	7	-	5,006	8,984	497	14,487
Outside services	-	265	8,269	-	8,534	14,286	-	22,820
Supplies	7,443	7,578	5,036	1,500	21,557	76	428	22,061
Technology expenses	1,811	11,400	-	30	13,241	7,141	11	20,393
 TOTAL EXPENSES	 <u>\$ 2,575,212</u>	 <u>\$ 132,560</u>	 <u>\$ 116,490</u>	 <u>\$ 1,530</u>	 <u>\$ 2,825,792</u>	 <u>\$ 110,445</u>	 <u>\$ 28,174</u>	 <u>\$ 2,964,411</u>

See accompanying notes to financial statements.



THE BRANCH OF NASHVILLE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES				SUPPORTING SERVICES		
	FOOD PANTRY	ESL CLASSES	AFGHAN RELIEF	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	Total
Salaries and wages	\$ 102,766	\$ 90,823	\$ -	\$ 193,589	\$ 55,095	\$ 11,620	\$ 260,304
Payroll taxes	8,737	7,721	-	16,458	4,684	988	22,130
SALARIES AND RELATED EXPENSES	111,503	98,544	-	210,047	59,779	12,608	282,434
Food distributed	2,613,348	-	2,222	2,615,570	-	-	2,615,570
Delivery charges	26,845	-	-	26,845	-	-	26,845
Conferences and meetings	10	-	-	10	1,814	-	1,824
Depreciation	2,896	2,899	-	5,795	100	9	5,904
Direct benefits to clients	200	-	-	200	-	-	200
Event expenses	-	-	-	-	-	8,857	8,857
Facility costs	61,011	6,856	-	67,867	4,765	686	73,318
Insurance	6,201	1,018	-	7,219	574	136	7,929
Office expenses	754	2	-	756	7,584	375	8,715
Outside services	2,576	2,947	-	5,523	3,088	8,600	17,211
Supplies	4,423	6,804	-	11,227	40	1,132	12,399
Technology expenses	877	451	-	1,328	6,804	369	8,501
TOTAL EXPENSES	<u>\$ 2,830,644</u>	<u>\$ 119,521</u>	<u>\$ 2,222</u>	<u>\$ 2,952,387</u>	<u>\$ 84,548</u>	<u>\$ 32,772</u>	<u>\$ 3,069,707</u>

See accompanying notes to financial statements.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE 1 - GENERAL

The Branch of Nashville, Inc. (the “Organization”) is a not-for-profit corporation organized in 2013, under the laws of the State of Tennessee, dedicated to nourishing, educating and equipping people in the southeast Nashville community through operating a food pantry, providing English language classes and assisting with referrals to other needed resources. The Organization is a partner agency of Second Harvest Food Bank of Middle Tennessee, a member of the Feeding America® network of food banks.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are currently no donor restrictions that are perpetual in nature.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give are received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Contribution of Non-Financial Assets

Any gifts of equipment, facilities or materials are reported as net assets without donor restrictions unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as net assets with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

The Organization receives significant contributions of donated food products which are used in its programs. Donated food received is valued at the Feeding America® rate for food-only donations (based on a study commissioned by Feeding America®), which is adjusted annually and amounted to \$1.70 per pound for 2022 and 2021. Amounts presented in the financial statements are net of spoilage due to the perishable nature of the products received which are unable to be utilized in the Organization's programs.

Donated services are recognized if the services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization. Other contributions of nonfinancial assets include delivery charges and reduced rental costs, which are valued at the fair market value if purchased.

A substantial number of unpaid volunteers have contributed their time to the Organization's programs. The value of this contributed time is not reflected in these statements since it does not meet the criteria noted above.

Inventory

Inventory consists of undistributed donated food pantry items and is valued based on the Feeding America ® rate for food-only donations.

Property and Equipment

Property and equipment are carried at cost at the date of purchase or, if donated, at the approximate fair value at the date of donation. The Organization's policy is to capitalize purchases with a cost of \$1,000 or more and an estimated useful life greater than one year. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization was required to adopt the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 842, *Leases*, effective January 1, 2022. Under this guidance, leases are required to record a right-to-use (“ROU”) asset and liability for its leases. The guidance allows organizations to not recognize ROU assets and liabilities for leases with a term of twelve months or less, therefore the Organization has not recorded a lease asset or liability at December 31, 2022.

Fair Value Measurements

The Organization classifies its assets measured at fair value based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs).

An asset’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

*Donated food inventory* - The value of donated food is based on poundage times a standard rate. The donated food rate is updated annually based on a study commissioned by Feeding America®, which is classified as Level 2. The inputs used in the valuation include twenty-nine product types calculating a weighted-average value for the year based on actual donated pounds by type on a national level.

No changes in the valuation methodologies have been made since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain fair value measurements at the reporting date.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following program and supporting services classifications are included in the accompanying financial statements:

Program Services:

Food Pantry - Everyone needs help sometimes, and we are here to support families in their time of need. Each month, the Pantry provides fresh, nutritious food to over 1,000 families in the Greater Nashville area, giving them the peace of mind that comes from knowing there is food for their tables. Also included in the Food Pantry program is the Older Adult Care program.

English Language Program (“ESL”) - Nashville is home to newcomers from many countries. Transitioning to a new community is difficult, and the inability to communicate makes it even harder. Our ESL program teaches adult learners to speak and write competently in English, so they can be confident when seeking employment, helping their children in school, and performing daily chores in their new homeland. Day and evening classes are held online and in person throughout the week.

Afghan Relief - Many Afghan refugees have been resettled in the Nashville area starting in the fall of 2021. When The Organization discovered in December 2021 that these refugees were not getting enough food, the Organization started a one-year project to purchase and deliver culturally appropriate food to these people. The Afghan Project concluded at the end of 2022 with Afghans becoming food pantry clients in 2023. The Organization will also provide English Language Learning classes free of charge to the Afghan refugees into 2023.

Fresh Solutions - Over 1,100 people come to the Organization each month seeking food assistance. We help them with food, but a food box does not address the underlying reasons for food insecurity. It takes a new approach to finding the root causes and a solution to move people out of crises. Fresh Solutions is a pathway of support that empowers people to reach for goals that move them into sustainable well-being and holistic flourishing. Launching in 2023, Fresh Solutions will equip volunteers to work alongside individuals and families, helping them to define goals, sharing resources, and encouraging them as they dream and work toward a better future for themselves and their families.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (continued)

Supporting Services:

Management and General - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the agency. Specific activities include agency oversight, business management, recordkeeping, budgeting, financing and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. The expenses that are allocated include salaries and related taxes and benefits and depreciation, which are allocated on the basis of estimates of time expended on those resources.

Income Taxes

The Organization qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization files a U.S. Federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization's income tax return to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between December 31, 2022 and June 28, 2023, the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next twelve months at December 31:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$ 431,025	194,213
Contributions receivable	32,000	26,350
Employee Retention Credits receivable	-	81,113
Less amounts not available to be used within one year:		
Board designated for emergencies	(3,000)	(3,000)
Net assets with donor restrictions	<u>(132,248)</u>	<u>(72,324)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 327,777</u>	<u>\$ 226,352</u>

NOTE 4 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, donated food revenue and contributions receivable.

The Organization maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Organization's cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts and management considers this to be a normal business risk.

The Organization received approximately 30% and 26% of its donated food directly from Second Harvest Food Bank and 56% and 63% from Second Harvest Food Bank Meal Connect partners for the year ended December 31, 2022 and 2021, respectively. Additionally, the Organization received equipment valued at \$28,800 from Second Harvest Food Bank in 2021.

At December 31, 2022 and 2021, 94% and 95%, respectively, of contributions receivable is from two donors.

THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 5 - FAIR VALUE MEASUREMENTS

Financial assets measured at fair value on a recurring basis consisted of the following at December 31:

	2022			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Inventory:</u>				
Donated food	<u>\$ 60,446</u>	<u>\$ -</u>	<u>\$ 60,446</u>	<u>\$ -</u>

  

	2021			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Inventory:</u>				
Donated food	<u>\$ 45,023</u>	<u>\$ -</u>	<u>\$ 45,023</u>	<u>\$ -</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 13,995	\$ 12,995
Vehicles	38,000	-
Warehouse equipment	<u>56,989</u>	<u>55,791</u>
	108,984	68,786
Less: accumulated depreciation	<u>(27,041)</u>	<u>(16,716)</u>
	<u>\$ 81,943</u>	<u>\$ 52,070</u>



THE BRANCH OF NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
<u>Specific purpose:</u>		
Food pantry program	\$ 12,782	\$ 14,983
Van purchase	-	30,000
Fresh Solutions program	73,500	-
Older adult care program	21,801	22,144
English language program	8,814	4,000
Afghan relief program	<u>15,351</u>	<u>1,197</u>
Total net assets with donor restrictions	<u>\$ 132,248</u>	<u>\$ 72,324</u>

NOTE 8 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Board designated for emergencies	\$ 3,000	\$ 3,000
Net investment in equipment	81,943	52,070
Undistributed food inventory	60,446	45,023
Undesignated	<u>330,757</u>	<u>224,614</u>
Total net assets without donor restrictions	<u>\$ 476,146</u>	<u>\$ 324,707</u>

NOTE 9 - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets (excluding food) consisted of the following for the year end December 31:

	<u>2022</u>	<u>2022</u>
Facility costs	\$ 37,260	\$ 35,280
Equipment	-	28,800
Delivery charges	<u>51,674</u>	<u>13,980</u>
Total other gifts in kind	<u>\$ 88,934</u>	<u>\$ 78,060</u>