

**EAST NASHVILLE
COOPERATIVE MINISTRY, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2011

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

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BELLENFANT + MILES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Nashville Cooperative Ministry, Inc.
Nashville, Tennessee

We have audited the accompanying statement of financial position of East Nashville Cooperative Ministry, Inc. as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Nashville Cooperative Ministry, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

December 14, 2012

EAST NASHVILLE COOPERATIVE MINISTRY. INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

CURRENT ASSETS:

Cash \$ 51,730

Total Current Assets 51,730

PROPERTY AND EQUIPMENT:

Building 62,055

Land 70,911

Equipment 3,537

Less: Accumulated Depreciation (26,351)

Total Property, Plant, and Equipment 110,152

TOTAL ASSETS \$ 161,882

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable \$ 680

Total Current Liabilities 680

NET ASSETS:

Unrestricted 154,605

Temporarily Restricted 6,597

Total Net Assets 161,202

TOTAL LIABILITIES AND NET ASSETS \$ 161,882

The accompanying notes are an integral part of this financial statement.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 67,683	\$ 450	\$ 68,133
Thrift Store Sales	2,001	-	2,001
Coffee Sales	1,077	-	1,077
Garden Sales	615	-	615
Rent	8,250	-	8,250
Events	1,134	-	1,134
Net Assets Released from Restriction	<u>11,692</u>	<u>(11,692)</u>	<u>-</u>
 Total Revenues	 <u>\$ 92,452</u>	 <u>\$ (11,242)</u>	 <u>\$ 81,210</u>
Expenses:			
Program Services	91,122	-	91,122
General and Administrative	12,586	-	12,586
Fundraising	<u>5,087</u>	<u>-</u>	<u>5,087</u>
 Total Expenses	 <u>108,795</u>	 <u>-</u>	 <u>108,795</u>
 CHANGE IN NET ASSETS	 (16,343)	 (11,242)	 (27,585)
 Net Assets, January 1, 2011	 <u>170,948</u>	 <u>17,839</u>	 <u>188,787</u>
 Net Assets, December 31, 2011	 <u><u>\$ 154,605</u></u>	 <u><u>\$ 6,597</u></u>	 <u><u>\$ 161,202</u></u>

The accompanying notes are an integral part of this financial statement.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salary-Director	\$ 28,734	\$ 5,388	\$ 1,795	\$ 35,917
Salary-Employee	16,458	-	959	17,417
Health Insurance	1,655	310	104	2,069
Employment Taxes	3,309	620	207	4,136
Transportation	926	174	57	1,157
Insurance	3,738	701	234	4,673
Office	904	170	56	1,130
Depreciation	1,660	311	104	2,075
Utilities	9,681	1,815	605	12,101
Repairs and Maintenance	10,877	1,208	-	12,085
Garden	6,232	-	-	6,232
Accounting	-	1,000	-	1,000
Taxes and Licenses	750	83	-	833
Coffee Sales	-	-	870	870
Staff Meetings and Enrichment	2,631	292	-	2,923
Events	2,025	225	-	2,250
Miscellaneous	1,542	289	96	1,927
Total Functional Expenses	<u>\$ 91,122</u>	<u>\$ 12,586</u>	<u>\$ 5,087</u>	<u>\$ 108,795</u>

The accompanying notes are an integral part of this financial statement.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (27,585)
Adjustments to reconcile change in net assets to net cash provided by operations:	
Depreciation	2,075
Increase (Decrease) in:	
Accounts payable	<u>(488)</u>
Net Cash Used by Operating Activities	<u>(25,998)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment	<u>(1,492)</u>
Net Cash Used by Investing Activities	<u>(1,492)</u>
Net Decrease in Cash	(27,490)
Cash, January 1, 2011	<u>79,220</u>
Cash, December 31, 2011	<u><u>\$ 51,730</u></u>

The accompanying notes are an integral part of this financial statement.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose:

East Nashville Cooperative Ministry, Inc. ("the Organization") is a Christian ecumenical organization created and maintained for the purpose of improving the East Nashville community by addressing the spiritual, educational, economic, mental, physical and emotional needs of its citizens as individuals and as a community. East Nashville Cooperative Ministry, Inc. has several programs including providing meals to the homeless, providing clothes to those in need on a referral basis, and maintaining a community garden that serves as a source for a food box program. The Organization was organized as a Tennessee non-profit corporation on July 15, 1976. The Organization is primarily supported through contributions from individuals and organizations.

Classification of Restricted and Unrestricted Net Assets:

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted – Represents the Organization's operating net assets, including unrestricted contributions, which are available for church operations.

Temporarily Restricted – Represents net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. The Organization had temporarily restricted assets of \$6,597 as of December 31, 2011.

Permanently Restricted – Represents net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, donors of these assets may permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no restricted assets as of December 31, 2011.

Financial Statement Presentation:

The financial statements of East Nashville Cooperative Ministry, Inc. have been prepared on the accrual basis of accounting. Revenues are generally recognized when earned. Expenses are generally recognized when incurred.

Concentration of Credit Risk:

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash accounts held by the Organization. The Organization's cash deposits are in financial institutes located in Tennessee and did not exceed federally insured amounts during the year ended December 31, 2011.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Income Taxes:

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

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

Depreciation:

Land, building, and equipment with an acquisition cost above \$1,000 are recorded at actual cost as acquired. The Organization provides for depreciation under the straight-line method over the estimated useful lives of its fixed assets as follows:

Building	40 years
Office equipment	5 years

Cash and Cash Equivalents:

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

Fair value of Financial Instruments:

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, and payables: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

EAST NASHVILLE COOPERATIVE MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011

2. CASH

Cash consists of an account at a commercial bank.

3. TEMPORARILY RESTRICTED NET ASSETS

Net assets have been temporarily restricted for the following purposes:

Restricted Grant - Operations (Memorial Fund)	7,856
Restricted Grant - Homeless	2,405
Restricted Grant - Remodel	(6,389)
Restricted Grant - Operations (Trivent)	2,275
Restricted Grant - Garden	450
	<hr/>
	\$ 6,597
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4. FUNDRAISING

Generally, fundraising activities of non-for-profit organizations include publicizing and conducting special fundraising events, preparing and distributing fundraising materials, and conducting other activities involved with soliciting contributions from individuals and businesses. The Organization typically performs only limited fundraising activities.

5. DONATED SERVICES

Officers and other volunteers of the Organization have assisted the Organization in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Organization, and the Organization exercises no significant control over the major elements of donated services.

6. COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation and sick days. It is not practical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 14, 2012, which is the date the financial statements were available to be issued.