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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
The Nashville Food Project, Inc.

I have reviewed the accompanying statement of financial position of The Nashville Food Project, Inc. (a nonprofit organization) as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Valerie Kemp Dreier
September 23, 2013

The Nashville Food Project
(A Nonprofit Corporation)

Statement of Financial Position
December 31, 2012

ASSETS

Current Assets

Cash and cash equivalents (Note 2) \$ 65,191

Total Current Assets 65,191

Property and Equipment, net (Note 3) 30,981

Total Assets 96,172

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable 6,422

Total liabilities 6,422

Net Assets

Unrestricted 89,750

Total Liabilities and Net Assets \$ 96,172

See independent accountant's review report.

The Nashville Food Project, Inc.
(A Nonprofit Corporation)

Statement of Activities
For the Year Ended December 31, 2012

UNRESTRICTED NET ASSETS

Revenue and Support

Contributions and grants	\$ 186,518
Special events	106,219
Sales of merchandise	871
Interest	<u>166</u>

Total Revenue and Support	<u>293,774</u>
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Expenses

Program services	185,520
Management and general	85,695
Fundraising	<u>31,384</u>

Total Expenses	<u>302,599</u>
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Decrease in Net Assets	(8,825)
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Net Assets - Beginning of year	<u>98,575</u>
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Net Assets - End of year	<u><u>\$ 89,750</u></u>
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See independent accountant's review report.

The Nashville Food Project, Inc.
(A Nonprofit Corporation)

Statement of Cash Flows
For the Year Ended December 31, 2012

Cash Flows from Operating Activities	
Decrease in net assets	\$ (8,825)
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	11,799
Increase (decrease) in operating liabilities	
Accounts payable	<u>5,389</u>
Net Cash Provided by (Used for) Operating Activities	<u>8,363</u>
Cash Flows From Investing Activities	
Purchase of equipment	<u>(15,000)</u>
Net Cash Provided by (Used for) Investing Activities	<u>(15,000)</u>
Decrease in cash	(6,637)
Cash, Beginning of Year	<u>71,828</u>
Cash, End of Year	<u><u>\$ 65,191</u></u>

See independent accountant's review report.

The Nashville Food Project, Inc.
(A Nonprofit Corporation)

Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services	Supporting Services	Fundraising Costs	Total Expenses
Compensation	\$ 112,487	\$ 41,600	\$ -	\$ 154,087
Payroll taxes	9,812	3,279	-	13,091
Management	-	2,558	-	2,558
Legal	-	12,033	-	12,033
Advertising and promotion	-	3,141	31,384	34,525
Office supplies	-	3,230	-	3,230
Information	441	-	-	441
Occupancy	-	6,665	-	6,665
Travel	1,839	-	-	1,839
Depreciation	-	11,799	-	11,799
Insurance	9,676	781	-	10,457
Meals and entertainment	-	609	-	609
Garden supplies	3,678	-	-	3,678
Food supplies	34,315	-	-	34,315
Vehicle operation costs	10,257	-	-	10,257
Education	3,015	-	-	3,015
	<u>\$ 185,520</u>	<u>\$ 85,695</u>	<u>\$ 31,384</u>	<u>\$ 302,599</u>

See independent accountant's review report.

The Nashville Food Project, Inc.
(A Nonprofit Corporation)

Notes to the Financial Statements
December 31, 2012

Note 1: Nature of Organization and Summary of Significant Accounting Policies

Nature of the Organization

The Nashville Food Project, Inc. (the Organization) is a nonprofit corporation established to provide access to healthy food in homeless and working poor communities across Davidson County, Tennessee.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities in three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and money market accounts, time deposits, certificates of deposits, and all highly liquid investments with original maturities of three months or less.

Property and Equipment

Purchases of equipment with a per-unit cost of \$500 or more and a useful life of one year or more and purchases funded through federal grant awards are capitalized at cost. Donated assets are capitalized at the estimated fair value at the date of receipt. Title to assets purchased with federal awards will revert to the awarding agency at the time of disposition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 to 45 years
Furniture and equipment	5 to 10 years

Deferred Revenue

Membership dues and program service fees collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

Revenues

Revenue are recognized as they are earned. Revenues from grant agreements are reported as revenues when qualifying expenses are incurred under the agreements.

Contributions

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

Contributed Services

No amounts have been reflected in the financial statements for contributed services. The Organization generally pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its operations; however, these services do not meet the recognition as contributed services. Similarly, contributions of food supplies are not reflected in the financial statements.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is also exempt from state income taxes in the State of Tennessee.

The Organization's Forms 990, Return of Organization Exempt of Income Tax, for the years ending 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed. The Organization has no tax positions that it considers be uncertain.

Note 2: Cash of Cash Equivalents

Cash and cash equivalents at December 31, 2012 consist of the following:

Avenue Bank Checking Account	\$25,043
Avenue Bank Money Market Saving	40,108
Cash on hand	<u>40</u>
 Total cash of cash equivalents	 <u>\$65,191</u>

Note 3:

Property and equipment at December 31, 2012 consisted of the following:

Trucks	\$45,730
Less accumulated depreciation	<u>(14,749)</u>
 Total property and equipment, net	 <u>\$30,981</u>