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# **Valerie Kemp Dreier**

## **Certified Public Accountant**

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106 Spring Street, Suite 101  
Ashland City, Tennessee 37015  
Telephone: (615) 792-1766  
Facsimile: (615) 792-1767  
e-mail: valerie@vkdcpa.com

### 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, 2011, 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, 2011

ASSETS

Current Assets

Cash and cash equivalents (Note 2)	<u>\$ 71,828</u>
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Total Current Assets	71,828
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Property and Equipment, net (Note 3)	<u>42,780</u>
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Total Assets	<u><u>114,608</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable	320
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Accrued payroll taxes	699
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Note payable	<u>15,000</u>
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Total liabilities	16,019
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Net Assets

Unrestricted	<u>98,589</u>
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Total Liabilities and Net Assets	<u><u>\$114,608</u></u>
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See independent accountant's review report.

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

Statement of Activities  
For the Year Ended December 31, 2011

UNRESTRICTED NET ASSETS

Revenue and Support

Contributions and grants	\$170,486
Special events	3,156
Interest	<u>24</u>
Total Revenue and Support	<u>173,666</u>

Expenses

Program services	54,103
Management and general	20,702
Fundraising	<u>272</u>
Total Expenses	<u>75,077</u>

Decrease in Net Assets	98,589
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Net Assets - Beginning of year	<u>-</u>
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Net Assets - End of year	<u><u>\$ 98,589</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, 2011

Cash Flows from Operating Activities	
Decrease in net assets	\$ 98,589
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	2,950
Increase (decrease) in operating liabilities	
Accrued payroll taxes	699
Accounts payable	<u>320</u>
Net Cash Provided by (Used for) Operating Activities	<u>102,558</u>
Cash Flows From Investing Activities	
Purchase of equipment	(45,730)
Note payable secured	<u>15,000</u>
Net Cash Provided by (Used for) Investing Activities	<u>(30,730)</u>
Decrease in cash	71,828
Cash, Beginning of Year	<u>-</u>
Cash, End of Year	<u><u>\$ 71,828</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, 2011

	<b>Program Services</b>	<b>Supporting Services</b>	<b>Fundraising Costs</b>	<b>Total Expenses</b>
Compensation	\$ 16,232	\$ 11,706	\$ -	\$ 27,938
Payroll taxes	1,644	1,948	-	3,592
Management	6,966	300	-	7,266
Accounting	-	3,734	-	3,734
Advertising and promotion	4,323	-	272	4,595
Office supplies	910	1,435	-	2,345
Occupancy	500	-	-	500
Travel	630	38	-	668
Depreciation	2,950	-	-	2,950
Insurance	7,760	984	-	8,744
Meals and entertainment	-	557	-	557
Garden supplies	1,166	-	-	1,166
Food supplies	9,879	-	-	9,879
Vehicle operation costs	834	-	-	834
Education	309	-	-	309
	<u>\$ 54,103</u>	<u>\$ 20,702</u>	<u>\$ 272</u>	<u>\$ 75,077</u>

See independent accountant's review report.

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

Notes to the Financial Statements  
December 31, 2011

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 reading 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 2008, 2009 and 2010 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, 2011 consist of the following:

Avenue Bank Checking Account	\$14,656
Avenue Bank Money Market Saving	<u>57,172</u>
Total cash of cash equivalents	<u>\$71,828</u>

Note 3:

Property and equipment at December 31, 2011 consisted of the following:

Trucks	\$45,730
Less accumulated depreciation	<u>( 2,950)</u>
Total property and equipment, net	<u>\$42,780</u>