

CUL2VATE

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

APRIL 30, 2021

CUL2VATE

TABLE OF CONTENTS

Independent Accountant's Review Report	3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Cul2vate
Nashville, Tennessee

We have reviewed the accompanying financial statements of Cul2vate (a nonprofit organization), which comprise the statement of financial position as of April 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Bellenfant, PLLC

Nashville, Tennessee
August 26, 2021

CUL2VATE
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 460,072
Prepaid Expenses	<u>200</u>
Total Current Assets	<u>460,272</u>

FIXED ASSETS

Fixtures and Equipment	126,959
Less: Accumulated Depreciation	<u>(68,088)</u>
Total Fixed Assets	<u>58,871</u>
Total Assets	<u><u>\$ 519,143</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	<u>\$ 512</u>
Total Current Liabilities	<u>512</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>518,631</u>
Total Net Assets	<u>518,631</u>
Total Liabilities and Net Assets	<u><u>\$ 519,143</u></u>

The independent accountant's review report and accompanying notes are an integral part of these financial statements.

CUL2VATE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2021

SUPPORT AND REVENUE

Contributions	\$ 331,851
Grants	189,614
Produce	13,381
Miscellaneous	7,030
In-Kind	11,225
Paycheck Protection Program Loan Forgiveness	<u>50,790</u>
Total Support and Revenue	<u>603,891</u>

EXPENSES

Program Services	173,025
Management and General	237,097
Fundraising	<u>7,561</u>
Total Expenses	<u>417,683</u>
Change in Net Assets	186,208
Net Assets, beginning of year	<u>332,423</u>
Net Assets, end of year	<u><u>\$ 518,631</u></u>

The independent accountant's review report and accompanying notes are an integral part of these financial statements.

CUL2VATE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED APRIL 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 97,326	\$ 179,205	\$ -	\$ 276,531
Payroll Taxes	8,144	13,709	-	21,853
Bank and Credit Card Fees	-	5,764	-	5,764
Depreciation	8,586	-	-	8,586
Equipment, Tools, and Maintenance	10,044	1,968	-	12,012
Farm Supplies	27,024	-	-	27,024
Fundraising	-	-	7,561	7,561
In-Kind	11,225	-	-	11,225
Insurance	-	13,393	-	13,393
Legal & Professional	-	2,496	-	2,496
Office Expenses	-	18,826	-	18,826
Utilities	10,676	1,736	-	12,412
Total Expenses	<u>\$ 173,025</u>	<u>\$ 237,097</u>	<u>\$ 7,561</u>	<u>\$ 417,683</u>

The independent accountant's review report and accompanying notes are an integral part of these financial statements.

CUL2VATE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 186,208
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	8,586
(Increase) Decrease in: Prepaid Expenses	(200)
Increase (Decrease) in: Accounts Payable	<u>1,076</u>
Net Cash Provided (Used) by Operating Activities	<u>195,670</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Purchase) Disposal of Fixed Assets	<u>9,478</u>
Net Cash Provided (Used) by Investing Activities	<u>9,478</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Paycheck Protection Program Loan Forgiveness	<u>(50,790)</u>
Net Cash Provided (Used) by Financing Activities	<u>(50,790)</u>
Net Increase (Decrease) in Cash	154,358
Cash and Cash equivalents, beginning of year	<u>305,714</u>
Cash and Cash equivalents, end of year	<u><u>\$ 460,072</u></u>

The independent accountant's review report and accompanying notes are an integral part of these financial statements.

CUL2VATE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Cul2vate ("the Organization"), located in Nashville, Tennessee, is a nonprofit corporation organized to provide locally grown and nutritional produce to impoverished areas. In addition, the Organization provides part-time work, job readiness, and life skills training to individuals who can benefit from a fresh start.

Basis of Presentation

The Organization prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$518,631 of net assets without donor restrictions as of April 30, 2021.

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no net assets with donor restrictions as of April 30, 2021.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all cash funds, cash in bank accounts, and highly liquid debt instruments purchased with an original maturity of twelve months or less to be cash and cash equivalents.

CUL2VATE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Organization accounts for contributions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification topic relating to Accounting for Contributions Received and Contributions Made. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as without restrictions or with restrictions depending on the existence or nature of any donor-imposed restrictions. Under the FASB Accounting Standards Codification, certain contributions are required to be reported as restricted support and are then reclassified to net assets without donor restrictions upon expiration or resolution of the donor restrictions. The Organization had no contributions with restrictions as of April 30, 2021.

Fair Values 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, certificates of deposit, accounts receivable, and accounts payable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

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

Fixed Assets

Fixed assets is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives. Assets purchased with a cost of less than \$500 are expensed to minor equipment.

CUL2VATE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

APRIL 30, 2021

2. FEDERAL INCOME TAX STATUS

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Organization files a U.S. Federal Form 990-*Return of Organization Exempt from Income Tax*. The Organization's returns for the years prior to fiscal year ended 2017 are no longer open for examination.

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.

3. PAYCHECK PROTECTION PROGRAM LOAN FORIVENESS

In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and it was signed into law on March 27, 2020. The CARES Act implemented the Payroll Protection Program (PPP), which provides loans to small businesses and charitable organizations to keep their employees on payroll. The PPP is administered by the Small Business Administration (SBA). The Organization obtained a SBA PPP Loan for \$50,790 on April 28, 2020. The SBA PPP Loan was forgiven in full on April 19, 2021.

4. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of April 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end	<u>\$ 460,072</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 460,072</u></u>

There is an adequate amount of financial assets available as of April 30, 2021. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

5. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 26, 2021 which is the date the financial statements were available to be issued.