

2010
Review
02/29/17

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
December 31, 2010

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	3
STATEMENT OF FINANCIAL POSITION December 31, 2010	4
STATEMENT OF ACTIVITIES For the year ended December 31, 2010	5
STATEMENT OF CASH FLOWS For the year ended December 31, 2010	6
NOTES TO FINANCIAL STATEMENTS December 31, 2010	7 - 10
SCHEDULE OF EXPENSES For the year ended December 31, 2010	11

CAMPANA, SARZA & TATEWOSIAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS
63 SOCKANOSSET CROSS RD., SUITE 2A
CRANSTON, RI 02920

TELEPHONE: 401-463-3440
FAX: 401-463-3442

MEMBER AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

Community Harvest Project, Inc.
North Grafton, Massachusetts

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying statement of financial position of Community Harvest Project, Inc., (a nonprofit corporation) as of December 31, 2010, and the related statements of activities and cash flows and supplementary information 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 and supplementary information as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary information 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 and supplementary information.

Our 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 us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements and supplementary information. We believe that the results of our procedures provide a reasonable basis for our report.

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

Campana Sarza + Tatemini, LLP

March 31, 2011

2010
Review
028717

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

STATEMENT OF FINANCIAL POSITION

December 31, 2010

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents (Note 2)	\$108,872
Loan receivable (Note 3)	<u>2,950</u>
Total current assets	\$111,822
PROPERTY AND EQUIPMENT, NET (Note 4):	<u>18,796</u>
TOTAL ASSETS	<u>\$130,618</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable and accrued expenses	\$ 1,595
Current portion – long term debt (Note 5)	<u>1,468</u>
Total current liabilities	\$ 3,063
LONG-TERM DEBT (Note 5):	<u>2,054</u>
Total liabilities	\$ 5,117
NET ASSETS:	
Unrestricted	\$121,986
Temporarily restricted (Note 6)	3,515
Permanently restricted	<u>-0</u>
Total net assets	<u>125,501</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$130,618</u>

See accountant's review report and notes to the financial statements.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

STATEMENT OF ACTIVITIES
For the year ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>
REVENUE AND SUPPORT:				
Contributions and grants	\$117,658	\$10,162	\$ -0	\$127,820
Fundraising	98,112	-0	-0	98,112
Interest income	6	-0	-0	6
Net assets released from restrictions (Note 7)	<u>11,258</u>	<u>(11,258)</u>	<u>-0</u>	<u>-0</u>
Total revenue and support	<u>\$227,034</u>	<u>(\$ 1,096)</u>	<u>\$ -0</u>	<u>\$225,938</u>
EXPENSES (Schedule I):				
Program expenses	\$ 92,648	\$ -0	\$ -0	\$ 92,648
Supporting expenses:				
General and administrative	\$ 35,220	\$ -0	\$ -0	\$ 35,220
Fundraising	<u>31,119</u>	<u>-0</u>	<u>-0</u>	<u>31,119</u>
Total supporting expenses	<u>\$ 66,339</u>	<u>\$ -0</u>	<u>\$ -0</u>	<u>\$ 66,339</u>
Total program and supporting expenses	<u>\$158,987</u>	<u>\$ -0</u>	<u>\$ -0</u>	<u>\$158,987</u>
TOTAL CHANGES IN NET ASSETS	\$ 68,047	(\$ 1,096)	\$ -0	\$ 66,951
NET ASSETS AT BEGINNING OF YEAR	<u>53,939</u>	<u>4,611</u>	<u>-0</u>	<u>58,550</u>
NET ASSETS AT END OF YEAR	<u>\$121,986</u>	<u>\$ 3,515</u>	<u>\$ -0</u>	<u>\$125,501</u>

See accountant's review report and notes to the financial statements.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

STATEMENT OF CASH FLOWS

For the year ended December 31, 2010

OPERATING ACTIVITIES:

Change in net assets	\$ 66,951
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,654
(Increase) decrease in loan receivable	1,500
(Decrease) increase in accounts payable and accrued liabilities	<u>625</u>

Net cash provided by operating activities \$ 74,730

INVESTING ACTIVITIES:

Purchase property and equipment (\$ 17,204)

Net cash used in investing activities (17,204)

FINANCING ACTIVITIES:

Repayment of long-term debt (\$ 1,320)

Net cash used in financing activities (1,320)

NET INCREASE IN CASH AND CASH EQUIVALENTS **\$ 56,206**

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR **52,666**

CASH AND CASH EQUIVALENTS AT END OF YEAR **\$108,872**

See accountant's review report and notes to the financial statements.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1. NATURE OF ACTIVITIES

Community Harvest Project (hereinafter the "Organization") began charitable work in 1998 and received tax exempt status as a not-for-profit corporation under the Laws and Statutes of the Commonwealth of Massachusetts in 2003. The Organization's purpose is to relieve the problem of hunger in the Worcester County area of Massachusetts. The Organization operates a farm for the purpose of supplying area food pantries with fresh produce. Contribution and fundraising revenues are used to cover the cost of operating the farm and volunteers provide the labor needed to work the farm.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

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.

Revenue and Support

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Gifts of depreciable property and equipment received with explicit donor stipulations that specify how the assets are to be used or how long they are to be maintained and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how gifts of depreciable property and equipment must be used and how long they must be maintained, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives. Contributions of non-cash assets are recorded at their approximate fair values in the period received.

Cash and Cash Equivalents

For the purpose of presentation in the Organization's statement of cash flows, cash equivalents are short-term, highly liquid investments with an original maturity of less than three months that are readily convertible to known amounts of cash and are so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Property and Equipment

Property and equipment additions exceeding \$2,000 are recorded at cost, if purchased, and at approximate fair market value, if contributed. Major additions and improvements are charged to property accounts, while betterments, replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed in the year incurred.

Depreciation of property and equipment is computed using the straight-line method.

Income Taxes

The Organization is classified as a tax-exempt, not-for-profit organization under Internal Revenue Service Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, income related to the Organization's charitable purpose is tax exempt. However, should the Organization have unrelated business income it would be taxable. For the year ended December 31, 2010 no provision for income taxes has been made.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Use of 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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In connection with the preparation of the financial statements, the Organization evaluated subsequent events through March 31, 2011 which was the date the financial statements were approved for issuance.

Note 3. **LOAN RECEIVABLE**

At December 31, 2010 the Organization's balance sheet consisted of an uncollateralized loan receivable that is due on demand. The loan receivable does not have a stated interest rate. The balance on the loan receivable at December 31, 2010 is \$2,950.

Note 4. **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Farm Equipment	<u>Total</u>
Less accumulated depreciation	\$97,974
	<u>78,998</u>
	<u>\$18,976</u>

Depreciation expense for 2010 was \$5,654.

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 5. LONG TERM DEBT

Note payable to Grafton Suburban Credit Union in monthly installments of \$139.36, including interest at 6.99%, secured by Kuhn tractor.

\$ 3,522

Less: current portion

1,468

Long-term debt

\$ 2,054

Note 6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2010:

Equipment purchase
Blueberry fields
Utilities

\$ 1,229

2,242

44

\$ 3,515

Note 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor.

SARE Program
Equipment purchase
Utilities

\$ 9,137

2,013

108

\$11,258

SCHEDULE I

COMMUNITY HARVEST PROJECT, INC.
North Grafton, Massachusetts

SCHEDULE OF EXPENSES

For the year ended December 31, 2010

	Program Expenses	General and Administrative	Fundraising	Total
Salaries and wages	\$40,860	\$13,800	\$ 112	\$ 54,772
Taxes	3,126	1,056	9	4,191
Professional fees	5,865	17,480	-0	23,345
Office expenses	1,730	1,614	2,710	6,054
Insurance	3,361	1,242	-0	4,603
Utilities	1,225	-0	-0	1,225
Travel	245	-0	175	420
Interest	352	28	-0	380
Depreciation	5,654	-0	-0	5,654
Farm expenses	30,230	-0	-0	30,230
Fundraising	<u>-0</u>	<u>-0</u>	<u>28,113</u>	<u>28,113</u>
	<u>\$92,648</u>	<u>\$35,220</u>	<u>\$31,119</u>	<u>\$158,987</u>

See accountant's review report and notes to the financial statements.