

**THE FOOD BANK OF EAST
ALABAMA, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2022

THE FOOD BANK OF EAST ALABAMA, INC.
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**YEAGER &
ASSOCIATES**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Food Bank of East Alabama, Inc.
Auburn, Alabama

Opinion

We have audited the accompanying financial statements of Food Bank of East Alabama, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Bank of East Alabama, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Food Bank of East Alabama, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Food Bank of East Alabama, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Board of Directors
Food Bank of East Alabama, Inc.
Auburn, Alabama
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guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

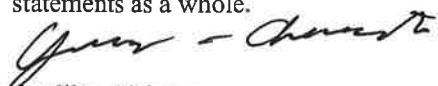
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Food Bank of East Alabama, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Food Bank of East Alabama, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Opelika, Alabama

October 16, 2023

THE FOOD BANK OF EAST ALABAMA, INC.

STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,491,277
Accounts receivable	24,574
Pledge receivable	2,600
Prepaid insurance	7,730
Inventory	979,559
Total current assets	<u>3,505,740</u>

PROPERTY AND EQUIPMENT: (AT COST)

Equipment	772,402
Leasehold improvements	50,409
Building	2,257,046
Land	291,234
Vehicles	346,284
	<u>3,717,375</u>
Less: Accumulated depreciation	877,802
Total property and equipment	<u>2,839,573</u>

Total assets	<u>\$ 6,345,313</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 26,421
Accrued liabilities	34,000
Agencies payable	74,952
Total current liabilities	<u>135,373</u>

LONG-TERM DEBT

Total liabilities	<u>-</u>
	<u>135,373</u>

NET ASSETS:

Without donor restrictions	6,074,179
With donor restrictions	135,761
Total net assets	<u>6,209,940</u>

Total liabilities and net assets	<u>\$ 6,345,313</u>
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See accompanying notes to financial statements

THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restriction	With Donor Restrictions	Total
REVENUES:			
Contributions	\$ 1,542,766	\$ -	\$ 1,542,766
Capital campaign	-	17,250	17,250
Grants	77,052	121,982	199,034
United way	2,250	-	2,250
USDA	162,451	-	162,451
Brown bag	-	17,399	17,399
Emergency food and shelter programs	92,266	-	92,266
Shared maintenance	418,256	-	418,256
Delivery	29,642	-	29,642
Food referral vouchers	690	-	690
Special events income	172,729	-	172,729
Donated food	7,557,620	-	7,557,620
Cares Act Grants	520,456	-	520,456
Other income (expense)	(132)	-	(132)
Net assets released from restrictions satisfaction of purpose restrictions	199,866	(199,866)	-
Total Revenue	10,775,912	(43,235)	10,732,677
EXPENSES & RECLASSIFICATIONS:			
Program expenses			
Program services	9,739,498	-	9,739,498
Management and general	62,606	-	62,606
Fundraising	90,910	-	90,910
Total program expenses and reclassifications	9,893,014	-	9,893,014
INCREASE (DECREASE) IN NET ASSETS	882,898	(43,235)	839,663
NET ASSETS, BEGINNING OF YEAR	5,191,281	178,996	5,370,277
NET ASSETS, END OF YEAR	\$ 6,074,179	\$ 135,761	\$ 6,209,940

See accompanying notes to financial statements

THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 982,091	\$ 26,500	\$ -	\$ 1,008,591
Payroll taxes	77,313	1,497	-	78,810
Total salaries and related expenses	1,059,404	27,997	-	1,087,401
Backpack grant expense	126,540	-	-	126,540
Bank service charges	-	9,773	-	9,773
Brown Bag	28,249	-	-	28,249
Contract labor	3,634	-	-	3,634
Dining expense	1,036	-	-	1,036
Dues and subscriptions	-	5,143	-	5,143
Equipment purchase	7,110	-	-	7,110
Equipment rental	11,188	-	-	11,188
Food drive expenses	7,896	-	-	7,896
Food purchase	357,735	-	-	357,735
Food distributions	7,488,772	-	-	7,488,772
Grant expense	18,658	-	-	18,658
Insurance	153,697	-	-	153,697
Licenses and permits	-	80	-	80
Maintenance	21,971	-	-	21,971
Postage and delivery	-	8,423	-	8,423
Printing and reproduction	-	3,055	-	3,055
Professional fees	31,881	1,678	-	33,559
Professional fundraising	-	-	90,910	90,910
Rent expense	19,380	1,020	-	20,400
Repairs	22,529	43	-	22,572
Retirement	14,948	-	-	14,948
Supplies	26,644	-	-	26,644
Transportation and travel	7,797	-	-	7,797
Uniforms	3,351	-	-	3,351
Utilities	102,479	5,394	-	107,873
Vehicle expense	79,130	-	-	79,130
Volunteer recognition	588	-	-	588
Total expenses before depreciation	9,594,617	62,606	90,910	9,748,133
Depreciation	144,881	-	-	144,881
Total expenses	\$ 9,739,498	\$ 62,606	\$ 90,910	\$ 9,893,014

See accompanying notes to financial statements

THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATING ACTIVITIES:

Change in Net Assets	\$	839,663
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation		144,881
Change on operating assets and liabilities:		
Accounts receivable		(607)
Prepaid insurance		11,003
Inventory		(59,449)
Resource library		632
Accounts payable		(3,636)
Accrued liabilities		4,158
Agency payable		22,388
		<hr/>
Net cash provided by operating activities		959,033

INVESTING ACTIVITIES:

Purchase of property and equipment		<hr/> (735,070)
Net cash used by investing activities		<hr/> (735,070)

NET CHANGE IN CASH AND CASH EQUIVALENTS 223,963

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

2,267,314

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 2,491,277

See accompanying notes to financial statements

THE FOOD BANK OF EAST ALABAMA, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – NATURE OF BUSINESS

The Food Bank of East Alabama, Inc. was organized in Alabama as a not-for-profit, voluntary health agency for the purpose of operating a community food bank in the Lee County, Alabama area. In carrying out this basic purpose, the Organization has established facilities for the collection, warehousing and distribution of any and all edible food suitable for distributing to needy persons, or to other corporations engaged in like activities, either as a free gift or at reduced prices. The Organization is a non-private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 100% charitable contribution deduction for individual donors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The significant accounting policies followed by the Organization are summarized as follows:

Use of Estimates

The preparation of the 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, liabilities, and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Organization periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect organizations estimates.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-208 was effective January 1, 2018.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Under the provisions of the guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operations purposed from time to time.

Net assets with donor restrictions:

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Contributions

The Organization recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("ASU 2018-08"). Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). If the transfer of assets is determined to be a contribution the organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Both ASU 2018-08 and ASC 606 were effective for the year ended December 31, 2022 and both permitted modified retrospective application. Both standards did not have a material impact on the statement of financial position, statement of activities, statement of functional expenses, or statement of cash flows.

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts Receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. The allowance for doubtful accounts at December 31, 2022 was \$0. Changes in the valuation allowance have been immaterial to the financial statements. There was no bad debt expense related to accounts receivable for the year ended December 31, 2022.

Purchased Inventory

The Organization's purchased inventory consists of food items and is stated at the lower of cost or market.

Donated Inventory

The Organization carries all Feeding America and other donated inventory at \$1.92 per pound, the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by the Feeding America. Management believes the estimate to be a reasonable measure of the inventory cost.

Investments

The Organization's policy is to sell all marketable securities when donated and record the cash proceeds as income. No gain or loss on sale of securities will be recognized when securities are sold.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

The Organization records the value of donated services when there is an objective basis available to measure their value. Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fund raising campaigns.

Property and Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is determined using the straight-line method. The estimated useful lives used to compute depreciation are as follows:

Equipment	5-7 years
Leasehold improvements	7-39 years
Buildings	39 years
Vehicles	5-7 years

Depreciation expense for the year ended December 31, 2022 was \$144,881.

Repairs, maintenance and minor replacements are expensed as incurred. Additions and significant renewals that materially prolong the lives of the assets are capitalized. The cost of assets sold or otherwise disposed of and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in income.

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses were recognized during the current year.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Grants	Time and Effort
Salaries and benefits	Time and Effort
Insurance	Time and Effort
Rent	Square Footage
Professional services	Time and Effort
Utilities	Time and Effort
Food donated/purchases	Time and Effort
Vehicle	Time and effort
Depreciation	Time and effort
Other	Time and effort

Shared Maintenance Fees

The Organization distributes food to 200 agencies that are charged for products on a per pound basis, not to exceed eighteen cents per pound. These charges are reflected as shared maintenance fees in the accompanying financial statements.

Income Taxes

The Organization, a non-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is generally exempt from Federal and State income taxes and, accordingly, no provision for income taxes is included in the financial statements. An annual return (form 990) for organizations exempt from income tax under code Section 501(c)(3) is required, and the Organization has met all filing requirements during the period reported.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2019, 2020, and 2021 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended December 31, 2022.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The carrying amounts of the Organization's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable approximate their fair value due to the short-term nature of these instruments.

Subsequent Events

The Organization has evaluated subsequent events through the date the financial statements which were available to be issued which was October 16, 2023 and concluded there were no subsequent events that have occurred that would require disclosure in the financial statements.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consists of the following:

December 31,	2022
Restricted to the purchase and renovation of new facility	\$ 2,600
Total unconditional promises to give	2,600
Less: Unamortized discount	-
Net unconditional promises to give	\$ 2,600
Amounts due in:	
Less than one year	\$ 2,600
One to three years	-
Total	\$ 2,600

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 4%, when the donor makes an unconditional promise to give to the organization. For the year ending December 31, 2022, all pledge receivables are due in 2023, therefore, no discount was calculated.

Although donor designations may vary, differences between the amounts allocated and collected have been historically insignificant. Accordingly, no provision is made for uncollectible amounts.

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 – INVENTORY

December 31,	2022
Inventory, beginning of year	\$ 920,110
Food contributions and purchases	7,557,620
Food distributions	(7,488,722)
Unsalvageable food and adjustments	<u>(9,449)</u>
Inventory, end of year	<u>\$ 979,559</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

December 31,	2022
Equipment	\$ 772,402
Leasehold improvements	50,409
Building	2,257,046
Land	291,234
Vehicles	<u>346,284</u>
	3,717,375
Less: Accumulated depreciation	<u>877,802</u>
	<u>\$ 2,839,573</u>

THE FOOD BANK OF EAST ALABAMA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 6 – RESTRICTIONS ON NET ASSETS

Capital Campaign

The Organization has acquired and renovated a facility for the collection, warehousing and distribution of any and all edible food suitable for distributing to needy persons, or to other corporations engaged in like activities, either as a free gift or at reduced prices. All donor restricted net assets related the capital campaign were expended during the year ended December 31, 2022.

TANF

The organization has received donations from outside sources for the TANF Program. This program is for the collection and distribution of food to children who are 18 years old and younger throughout the community. The organization has collected \$20,196 that has not been distributed as of December 31, 2022. These funds will be released from restriction as the funds are expended for the purchase and distribution of food to students.

BackPack

The organization has received donations from outside sources for the BackPack Program. This program is for the collection and distribution of food to students throughout the community. The organization has collected \$115,565 that has not been distributed as of December 31, 2022. These funds will be released from restriction as the funds are expended for the purchase and distribution of food to students.

THE FOOD BANK OF EAST ALABAMA, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 – LIQUIDITY

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

December 31,	2022
Cash and cash equivalents	\$ 2,491,277
Accounts receivable	24,574
Pledge receivable	2,600
Prepaid insurance	7,730
Inventory	979,559
	<u>3,505,740</u>
Less: Net assets for capital campaign	-
Less: Cash and cash equivalents – with donor restrictions	<u>135,761</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 3,369,979</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

NOTE 8 – CONCENTRATION OF CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances at high credit quality financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed the insured limits. The maximum loss that would have resulted from that risk totaled \$1,994,794 at December 31, 2022 for the excess of the deposit liabilities reported by the institutions over the amount that would have been covered by insurance. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

THE FOOD BANK OF EAST ALABAMA, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 – LEASING ARRANGEMENTS

Effective January 1, 2022 the Company adopted FASB ASC 842 accounting for leases. The Company has elected to use the exemption method for short term leases for the leasing of all classes of assets. The exemption allows the Company to use the straight-line basis over the term of the lease for all short-term leases that have a lease term of less than 12 months.

Food Bank of East Alabama, Inc. leases space from an individual in Opelika, Alabama to operate a Community Market. At present, the Organization rents the premises on a month to month basis for \$1,700 per month. Rental expense amounted to \$20,400 for the year ended December 31, 2022.

NOTE 10 – RETIREMENT PLAN

During 2022, the Organization created a Roth 401(k) retirement plan for all eligible employees who have satisfied the conditions for participation. The organization can make a discretionary matching contribution to the plan each year, if desired. The Organization's matching contribution for year ended December 31, 2022 amounted to \$14,948.

SUPPLEMENTARY INFORMATION

THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF FINANCIAL POSITION BY FUND
AT DECEMBER 31, 2022**

	The Food Bank	Community Market	Eliminating Entries	Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 2,313,980	\$ 177,297	\$ -	\$ 2,491,277
Accounts receivable	24,574	786	(786)	24,574
Pledge receivable	2,600			2,600
Prepaid insurance	7,730	-	-	7,730
Inventory	979,559	-	-	979,559
Total current assets	<u>3,328,443</u>	<u>178,083</u>	<u>(786)</u>	<u>3,505,740</u>
PROPERTY AND EQUIPMENT:				
Equipment	739,676	32,726	-	772,402
Leasehold improvements	36,617	13,792	-	50,409
Building	2,257,046			2,257,046
Land	291,234			291,234
Vehicles	346,284	-	-	346,284
	<u>3,670,857</u>	<u>46,518</u>	<u>-</u>	<u>3,717,375</u>
Less: Accumulated depreciation	837,357	40,445	-	877,802
Total property and equipment	<u>2,833,500</u>	<u>6,073</u>	<u>-</u>	<u>2,839,573</u>
 Total assets	 <u>\$ 6,161,943</u>	 <u>\$ 184,156</u>	 <u>\$ (786)</u>	 <u>\$ 6,345,313</u>
CURRENT LIABILITIES:				
Accounts payable	\$ 27,207	\$ -	\$ (786)	\$ 26,421
Payroll taxes payable	6,223	-	-	6,223
Accrued salaries	27,777	-	-	27,777
Agencies payable	74,517	435	-	74,952
Total current liabilities	<u>135,724</u>	<u>435</u>	<u>(786)</u>	<u>135,373</u>
LONG-TERM DEBT:				
	-	-	-	-
Total liabilities	<u>135,724</u>	<u>435</u>	<u>(786)</u>	<u>135,373</u>
NET ASSETS:				
Without donor restrictions	5,890,458	183,721	-	6,074,179
With donor restrictions	135,761		-	135,761
Total net assets	<u>6,026,219</u>	<u>183,721</u>	<u>-</u>	<u>6,209,940</u>
 Total liabilities and net assets	 <u>\$ 6,161,943</u>	 <u>\$ 184,156</u>	 <u>\$ (786)</u>	 <u>\$ 6,345,313</u>

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THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF ACTIVITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	The Food Bank	Community Market	Eliminating Entries	Total
REVENUES:				
Contributions	\$ 1,334,126	\$ 208,640	\$ -	\$ 1,542,766
Capital campaign	17,250	-	-	17,250
Grants	199,034	-	-	199,034
United way	1,500	750	-	2,250
USDA	162,451	-	-	162,451
Brown bag	-	17,399	-	17,399
Emergency food and shelter	92,266	-	-	92,266
Shared maintenance	436,762	-	(18,506)	418,256
Delivery	34,442	-	(4,800)	29,642
Food referral vouchers	-	690	-	690
Special events income	172,729	-	-	172,729
Donated food	7,557,620	-	-	7,557,620
Cares act income	520,456	-	-	520,456
Other income (expense)	(363)	231	-	(132)
Total Revenue	\$ 10,528,273	\$ 227,710	\$ (23,306)	\$ 10,732,677

EXPENSES & RECLASSIFICATIONS:

Program expenses				
Salaries	\$ 884,400	\$ 124,191	\$ -	\$ 1,008,591
Payroll taxes	78,810	-	-	78,810
Backpack grant expense	126,540	-	-	126,540
Bank service charges	9,743	30	-	9,773
Brown bag	-	28,249	-	28,249
Contract labor	3,634	-	-	3,634
Depreciation	142,374	2,507	-	144,881
Dining expense	1,036	-	-	1,036
Dues and subscriptions	5,143	-	-	5,143
Equipment purchase	7,110	-	-	7,110
Equipment rental	10,640	548	-	11,188
Food drive expenses	7,896	-	-	7,896
Food donated	7,488,772	-	-	7,488,772
Food purchase	357,735	18,506	(18,506)	357,735
Grant expense	18,658	-	-	18,658
Insurance	145,425	8,272	-	153,697
Licenses and permits	80	-	-	80
Maintenance	\$ 18,200	\$ 3,774	\$ -	\$ 21,974

(continued)

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THE FOOD BANK OF EAST ALABAMA, INC.

**STATEMENT OF ACTIVITIES BY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	The Food Bank	Community Market	Eliminating Entries	Total
EXPENSES & RECLASSIFICATIONS: (CONTINUED)				
Program expenses				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Postage and delivery	7,808	615	-	8,423
Printing and reproduction	2,609	446	-	3,055
Professional fees	33,559	-	-	33,559
Professional fundraising	90,910	-	-	90,910
Rent expense	-	20,400	-	20,400
Repairs	21,706	863	-	22,569
Retirement plan	14,948	-	-	14,948
Supplies	24,871	1,773	-	26,644
Transportation and travel	7,507	5,090	(4,800)	7,797
Uniforms	3,351	-	-	3,351
Utilities	93,934	13,939	-	107,873
Vehicle expense	79,130	-	-	79,130
Volunteer recognition	588	-	-	588
Total program expenses and reclassifications	9,687,117	229,203	(23,306)	9,893,014
INCREASE (DECREASE) IN NET ASSETS	841,156	(1,493)	-	839,663
NET ASSETS, BEGINNING OF YEAR	5,185,063	185,214	-	5,370,277
NET ASSETS, END OF YEAR	\$ 6,026,219	\$ 183,721	\$ -	\$ 6,209,940

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