



GAINESVILLE, GEORGIA  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
June 30, 2021 and 2020

GEORGIA MOUNTAIN FOOD BANK, INC.  
GAINESVILLE, GEORGIA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of  
Georgia Mountain Food Bank, Inc.  
Gainesville, Georgia

We have audited the accompanying financial statements of Georgia Mountain Food Bank, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Managements' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Mountain Food Bank, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Alexander, Almand & Bangs, LLP*

Alexander, Almand & Bangs, LLP  
Gainesville, Georgia  
December 14, 2021

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 866,963	\$ 1,179,118
Accounts receivable	59,534	30,034
Investments	1,351,513	-
Inventory - donated	341,158	351,785
Prepaid expenses and deposits	18,428	12,598
Total current assets	2,637,596	1,573,535
<b>PROPERTY AND EQUIPMENT</b>		
Land and improvements	186,230	186,230
Building	838,288	923,288
Equipment, furniture & fixtures	317,618	351,251
	1,342,136	1,460,769
Less accumulated depreciation	(474,900)	(466,805)
Total property and equipment	867,236	993,964
<b>TOTAL ASSETS</b>	<b>\$ 3,504,832</b>	<b>\$ 2,567,499</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 19,810	\$ 22,301
Deferred income	91,585	19,576
Accrued payroll liabilities	19,079	21,371
Contingent loan payable	-	142,687
Total current liabilities	130,474	205,935
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated - property and equipment	867,236	993,964
Board designated - inventory	341,158	351,785
Undesignated	2,006,381	989,575
Total unrestricted	3,214,775	2,335,324
With donor restrictions	159,583	26,240
Total net assets	3,374,358	2,361,564
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,504,832</b>	<b>\$ 2,567,499</b>

The accompanying notes are an integral part of these financial statements.

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF ACTIVITIES

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 674,470	\$ 20,000	\$ 694,470	\$ 860,397	\$ -	\$ 860,397
Direct mailings	979,930	-	979,930	647,229	-	647,229
Grants and foundations	399,777	139,583	539,360	429,098	26,240	455,338
Program service revenues	206,866	-	206,866	276,845	-	276,845
Special events	163,561	-	163,561	136,263	-	136,263
Interest and dividend income	46,147	-	46,147	1,342	-	1,342
Other nonrecurring revenue - PPP forgiveness	142,687	-	142,687	-	-	-
Gain (loss) on investments	132,822	-	132,822	-	-	-
Gain (loss) on disposition of fixed asset	59,514	-	59,514	5,114	-	5,114
Other gain (loss)	(79,156)	-	(79,156)	-	-	-
Net assets released from restrictions:						
Satisfaction of payments	26,240	(26,240)	-	18,333	(18,333)	-
Total revenues and support before in-kind	<u>2,752,858</u>	<u>133,343</u>	<u>2,886,201</u>	<u>2,374,621</u>	<u>7,907</u>	<u>2,382,528</u>
In-kind contributions:						
Donated food and product	6,438,501	-	6,438,501	5,281,952	-	5,281,952
Goods and services	5,615	-	5,615	46,777	-	46,777
Total in-kind contributions	<u>6,444,116</u>	<u>-</u>	<u>6,444,116</u>	<u>5,328,729</u>	<u>-</u>	<u>5,328,729</u>
Total Revenues and Support	<u>9,196,974</u>	<u>133,343</u>	<u>9,330,317</u>	<u>7,703,350</u>	<u>7,907</u>	<u>7,711,257</u>
Expenses						
Program services	7,792,410	-	7,792,410	6,155,818	-	6,155,818
Management and general	149,145	-	149,145	141,736	-	141,736
Fundraising	368,525	-	368,525	367,417	-	367,417
Total functional expenses	8,310,080	-	8,310,080	6,664,971	-	6,664,971
Costs of direct donor benefits	7,443	-	7,443	1,101	-	1,101
Total Expenses	<u>8,317,523</u>	<u>-</u>	<u>8,317,523</u>	<u>6,666,072</u>	<u>-</u>	<u>6,666,072</u>
CHANGE IN NET ASSETS	879,451	133,343	1,012,794	1,037,278	7,907	1,045,185
NET ASSETS, BEGINNING OF YEAR	<u>2,335,324</u>	<u>26,240</u>	<u>2,361,564</u>	<u>1,298,046</u>	<u>18,333</u>	<u>1,316,379</u>
NET ASSETS, END OF YEAR	<u>\$ 3,214,775</u>	<u>\$ 159,583</u>	<u>\$ 3,374,358</u>	<u>\$ 2,335,324</u>	<u>\$ 26,240</u>	<u>\$ 2,361,564</u>

The accompanying notes are an integral part of these financial statements.

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

	For the Year Ended June 30, 2021				For the Year Ended June 30, 2020			
	Program Services	Management & General	Fundraising	Totals	Program Services	Management & General	Fundraising	Totals
Advertising and promotion	\$ 7,592	\$ 1,085	\$ 99,786	\$ 108,463	\$ 5,532	\$ 790	\$ 72,702	\$ 79,024
Communication and technology	19,492	9,746	9,746	38,984	18,517	9,259	9,259	37,035
Depreciation	65,767	9,395	3,132	78,294	59,315	8,474	2,825	70,614
Direct mailings	-	-	164,552	164,552	-	-	162,179	162,179
Food programs	297,437	-	-	297,437	101,822	-	-	101,822
Insurance expense	25,022	2,249	843	28,114	26,362	2,370	889	29,621
Other employee expenses	13,003	1,858	619	15,480	19,134	2,733	911	22,778
Other miscellaneous costs	10,743	19,807	3,021	33,571	11,207	20,664	3,152	35,023
Postage and printing	3,897	520	779	5,196	3,536	471	707	4,714
Professional fees	20,649	2,950	21,533	45,132	26,504	3,786	15,262	45,552
Repairs and maintenance	17,612	1,957	-	19,569	27,023	3,003	-	30,026
Salaries, wages and benefits	674,714	96,388	32,129	803,231	593,493	84,785	28,262	706,540
Supplies	14,081	-	30,728	44,809	11,596	-	30,467	42,063
Taxes and licenses	-	20	-	20	-	90	-	90
Transportation	100,691	-	-	100,691	76,395	-	-	76,395
Travel	1,515	216	72	1,803	4,300	614	205	5,119
Utilities and occupancy	67,192	1,400	1,400	69,992	55,438	1,155	1,155	57,748
Total expenses before in-kind	<u>1,339,407</u>	<u>147,591</u>	<u>368,340</u>	<u>1,855,338</u>	<u>1,040,174</u>	<u>138,194</u>	<u>327,975</u>	<u>1,506,343</u>
In-kind goods and services:								
Donated food and product	6,449,127	-	-	6,449,127	5,111,851	-	-	5,111,851
Goods and services	3,876	1,554	185	5,615	3,793	3,542	39,442	46,777
Total in-kind goods and services	<u>6,453,003</u>	<u>1,554</u>	<u>185</u>	<u>6,454,742</u>	<u>5,115,644</u>	<u>3,542</u>	<u>39,442</u>	<u>5,158,628</u>
Total expenses	<u>\$ 7,792,410</u>	<u>\$ 149,145</u>	<u>\$ 368,525</u>	<u>\$ 8,310,080</u>	<u>\$ 6,155,818</u>	<u>\$ 141,736</u>	<u>\$ 367,417</u>	<u>\$ 6,664,971</u>

The accompanying notes are an integral part of these financial statements.

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF CASH FLOWS

	For the Years Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of support and revenues over expenses	\$ 1,012,794	\$ 1,045,185
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	78,294	70,614
In-kind donation - food and product	10,627	(170,101)
Net unrealized and realized (gain) loss on investments	(132,822)	-
(Gain) loss on disposition of fixed assets	(59,514)	(5,114)
Gain upon debt extinguishment	(142,687)	-
(Increase) decrease in assets:		
Accounts receivable - other	(29,500)	4,689
Prepaid expenses	(5,830)	3,412
Increase (decrease) in liabilities:		
Accounts payable	(2,491)	(8,068)
Deferred revenues	72,009	(14,154)
Accrued payroll liabilities	(2,292)	6,602
	<u>798,588</u>	<u>933,065</u>
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,218,691)	-
Purchase of furniture and equipment	(16,049)	(69,827)
Proceeds from sale of furniture and equipment	123,997	15,300
	<u>(1,110,743)</u>	<u>(54,527)</u>
<b>CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contingent loan payable	-	142,687
	<u>-</u>	<u>142,687</u>
<b>CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(312,155)	1,021,225
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,179,118</u>	<u>157,893</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 866,963</u>	<u>\$ 1,179,118</u>
Non-cash transactions consist of in-kind	<u>\$ 6,444,116</u>	<u>\$ 5,328,729</u>

The accompanying notes are an integral part of these financial statements.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2021 and 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Georgia Mountain Food Bank, Inc. (GMFB) was created on November 7, 2007. GMFB is a nonprofit organization with the mission to mobilize resources to fight hunger in our community. The core work of GMFB is the collection and distribution of donated food and other grocery products to charitable agencies in a 5-county service area in Northeast Georgia including Dawson, Forsyth, Hall, Lumpkin, and Union counties serving low-income and needy people. GMFB supplements donated and surplus food and products with the purchase of specific food and grocery items. GMFB also conducts hunger research and participates in hunger awareness campaigns in order to educate and inform the public regarding the problems of hunger. GMFB is affiliated with the Atlanta Community Food Bank which is a member of the Feeding America network (formerly America's Second Harvest – The Nation's Food Bank Network).

**Primary Programs**

The primary program of GMFB is general food and product distribution to charitable agencies. In addition, other GMFB programs include:

**Rural Delivery Program:** GMFB provides door-to-door delivery to rural agencies without the capacity to pick up food on their own. GMFB ensures the safety of refrigerated and frozen product by using two refrigerated box trucks with lift gates to accommodate deliveries. For smaller deliveries of shelf stable product, GMFB also uses a small refrigerated box truck to improve on efficiency.

**Mobile Food Pantries:** The majority of the food that GMFB acquires from donors is distributed to clients through the 69 hunger relief partners in Northeast Georgia. However, many communities and neighborhoods do not have access to pantries for a number of reasons. GMFB has responded by utilizing volunteers and delivering food directly to people in need via the bi-monthly mobile pantry program. In FY 2021 and 2020, GMFB distributed 329,893 and 260,989 pounds of food under this program, respectively.

**Munch Bunch Snack Program:** Munch Bunch provides after-school snacks to at-risk children in organized programs. Often these programs focus on health and nutrition during snack time through fun activities and lessons. For example, GMFB works with SISU to provide healthy snacks for children with disabilities and their typical peers through integrated educational and therapy programs. GMFB works with The Hall County Juvenile Court to provide healthy snacks to children and their families as the children must appear for court dates. In FY 2021, GMFB provided 3,626 pounds of food to this program.

**Senior Brown Bag Program:** GMFB works with partner agencies and other community organizations that provide services to seniors. Some of those programs are Forsyth County Senior Center, Gainesville/Hall Senior Center, the Sunshine Seniors and The Guest House. GMFB provides fresh produce, baked goods, personal hygiene items and other products as requested and available. In FY 2021 and 2020, GMFB distributed 589,164 and 401,544 pounds of food through this program, respectively.

**Backpacks for Kids:** GMFB utilizes backpack programs to help alleviate childhood hunger. Backpacks are distributed to children and youth attending public schools. The children that receive the weekly backpacks are identified by the teachers and administrators at the school. The backpacks are distributed weekly on Friday afternoon filled with shelf stable food items for meals over the weekend. GMFB provides program appropriate food to multiple backpack partners. In FY 2021 and 2020, GMFB distributed 243,747 and 201,397 pounds of food through this program, respectively.



GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2021 and 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Healthy Choice Food:** Recognizing the correlation between eating healthy and being healthy, GMFB began partnerships with local health clinics serving low income people with health disparities including Type 2 Diabetes, Heart Failure and Cancer. GMFB provides “healthy choice” food boxes to each clinic monthly to distribute to patients identified by clinic staff. The box contains purchased shelf stable food that is ideal to support food insecure patients while undergoing treatment at the different clinics. In FY 2021, GMFB provided 336 Healthy Choice Boxes through this program.

**Neighborhood Fresh:** The Neighborhood Fresh Grocery Delivery Program is GMFB’s roving ambassador for healthy eating and family stability in Northeast Georgia. The program promotes GMFB’s mission, vision and values by providing fresh food and nutrition education. Currently, there are 17 sites in Hall County including senior housing neighborhoods, low income apartment complexes, Gainesville Housing Authority properties, Headstart and a Boys and Girls Club After-School program. In FY 2021 and 2020, GMFB distributed 377,883 and 114,559 pounds of food under this program, respectively.

**PIN Program:** “PIN” stands for “People In Need” which provides a one-time emergency food distribution to families who reach out to GMFB for assistance. Though GMFB primarily serves as a food distribution center for outside feeding groups, often families in crisis find their way to GMFB for help. GMFB provides food and household items to meet the immediate need and also provide information about partner agencies and programs for ongoing assistance. In FY 2021 and 2020, GMFB provided 5,825 and 15,752 pounds of food to individuals under this program, respectively.

**Other Community Initiatives:** GMFB feeds hungry people through partnerships with organizations across the community whose missions align with ours. Those partners include Gainesville Housing Authority, LAMP Ministries, Public School Systems, Clermont Cares and others.

**Basis of Accounting**

The financial statements are prepared on the accrual basis in conformity with U.S. generally accepted accounting principles.

**Basis of Presentation**

GMFB follows FASB ASC 958, which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions. FASB ASC 958 requires that unconditional promises to give be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the two net asset categories follows.

**Net assets without donor restrictions** have no donor-imposed restrictions.

**Net assets with donor restrictions** have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2021 and 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Expiration of Donor-Imposed Restrictions**

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. The restriction expires when the stipulated time has elapsed, when the specified purpose for which the resource was restricted has been fulfilled, or both.

Revenues with donor restrictions whose restrictions are satisfied in the current year are presented as revenues without donor restrictions. GMFB follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met within the same fiscal year as support without donor restrictions.

**Public Support and Revenue**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The main sources of direct public support are from individual and corporate contributors.

**Property and Equipment**

Property and equipment are valued at actual cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line basis over the following useful lives:

Building	30	years
Cooler/Freezer	20	years
Furniture and Equipment	3 - 20	years
Land Improvements	15	years

**Income Tax**

Georgia Mountain Food Bank, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for income taxes. The Internal Revenue Service has classified the organization as a publicly supported organization under sections 509(a)(1) and 170(b)(1)(A)(vi).

**Cash and Cash Equivalents**

GMFB considers only cash accounts and certificates of deposit with maturities of less than three months as cash and cash equivalents.

**Investments**

The Organization has adopted FASB ASC No. 958-320, *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Under FASB ASC No. 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values on the Statement of Financial Position. Net realized and unrealized gains/losses on investments are reflected on the Statement of Activities.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2021 and 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fair Value Measurements**

The Organization applies ASC No. 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial and nonfinancial assets and financial liabilities. Estimates of fair value for financial assets and liabilities are based on the framework established in the ASC No. 820, which considers the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the ASC No. 820 hierarchy is based on whether the significant inputs relative to the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Organization's significant market assumption. The three levels of the hierarchy are further described as follows:

Level I – Valuations based on unadjusted market prices for identical assets or liabilities in accessible and active markets.

Level II – Valuations based on pricing inputs other than quotes prices in active markets which are either directly or indirectly observable.

Level III – Valuations derive from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques.

The Organization's investments consist of Level I hierarchy fair market value measurements.

**Inventory**

Inventory consists primarily of donated foods and related consumer products. Donated inventory has been valued at \$ 1.74 per pound in 2021 and \$ 1.62 per pound in 2020. This value was derived from Feeding America estimates and management believes it is a fair representation of value.

**Contributed Services, Facilities, and Food Valuation**

GMFB values all donated services and facilities at FMV at the time of the donation. Food donated is valued using an average rate per pound of food.

**Deferred income**

Deferred income includes amounts received in advance for special events held subsequent to the date of the financial statements which are not considered to be earned until the events take place.

**Functional Expenses**

Expenses are reported as decreases in net assets. The costs of programs, management, and fundraisers are presented in summary on the statement of activities and in more detail on the statement of functional expenses. The statement of activities and statement of functional expenses report certain categories of expenses that are attributable to more than one program or function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Certain costs have been allocated among program services and supporting services, based on the benefit received. The expenses, allocated on the basis of estimates of time and effort, include salaries, certain utilities, office and professional fees, training, and repairs. Because the main purpose of the Organization is accomplished through program services, a greater percentage of overall expenditures are allocated to programs. Management and general expenses include expenditures that are not directly identifiable to a specific program, fundraising, or development activity. Fundraising expenses are those expenditures directly associated with an activity as well as some personnel and other direct costs to carry out the activities.

GEORGIA MOUNTAIN FOOD BANK, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Years Ended June 30, 2021 and 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires that management use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates and assumptions include the depreciation of fixed assets and the allocation of expenses into functional classifications.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**New Accounting Pronouncement**

GMFB has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes that standard improves the usefulness and understandability of GMFB's financial reporting. The ASU has been applied retrospectively to all periods presented.

The Organization has adopted Accounting Standards Update (ASU) No. 2016-01 *Recognition and Measurement of Financial Assets and Financial Liabilities*. The standard is intended to improve the recognition, measurement, presentation and disclosure of financial investments. The ASU has been applied retrospectively to all periods presented.

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents GMFB's financial assets at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 866,963	\$ 1,179,118
Accounts receivable	59,534	30,034
Investments	1,351,513	-
Total financial assets	<u>2,278,010</u>	<u>1,209,152</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions (current)	<u>159,583</u>	<u>26,240</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,118,427</u>	<u>\$ 1,182,912</u>

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2021 and 2020

**NOTE 2 – AVAILABILITY AND LIQUIDITY (CONT'D)**

As of June 30, 2021 and 2020, certain portions of GMFB's total financial assets are not available to be used within one year due to either 1) designations by the board of directors, or 2) restrictions placed on the financial assets by the donor at the time of contribution. Because a donor's restriction requires resources to be used in a particular manner or in a future period, GMFB must maintain sufficient resources to meet those responsibilities to its donors. As part of GMFB'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 the event of unanticipated liquidity need, the board could draw upon the assets in which they have designated for specific purposes. In addition, GMFB maintains a \$ 95,000 line of credit which can be drawn from to help manage unanticipated liquidity needs. As of June 30, 2021 and 2020, the line of credit had no balance due.

As part of GMFB's current liquidity management plan, GMFB has a goal to maintain financial assets to meet 60 days of normal operating expenses, which are on average, approximately \$ 147,863 per month. In the event of an unanticipated liquidity need, GMFB feels there are enough financial assets to cover at least 14 months of necessary expenditures.

**NOTE 3 - COMPENSATED ABSENCES**

GMFB maintains a compensated absence policy as follows: employees earn 1 to 4 weeks of paid time off based on years of service. Paid time off is awarded at the beginning of the employee's anniversary and expires annually. Unused paid time off may not be carried forward. If employment terminates for any reason, unused paid time off is forfeited. Due to the nature of the compensated absence policy, no accrual for unused paid time off is made.

**NOTE 4 - CONCENTRATIONS OF CREDIT RISK**

GMFB maintains its demand deposits at high quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$ 250,000. For the years ended June 30, 2021 and 2020, GMFB held funds in excess of FDIC insured limits of \$ 653,248 and \$ 895,779, respectively.

**NOTE 5 – DONATED FACILITIES, SERVICES, AND FOOD**

**Goods and Services** – Contributed goods and services are recognized by GMFB if the goods and services received (a) create or enhance long-lived assets, (b) are required goods necessary for the operations of GMFB or (c) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated goods and services include repairs, advertising, and professional fees. The total fair market value of goods and services totals \$ 5,615 and \$ 46,777 for the years ended June 30, 2021 and 2020, respectively.

**Food** – GMFB receives a significant amount of contributed food inventory that is recorded in the accompanying financial statements as unrestricted in-kind contributions, net of amounts related to food that is unusable or spoiled when received. Food items are valued using a weighted average price per pound determined using studies commissioned by Feeding America, the nation's largest nongovernmental food distribution program.

As of June 30, 2021 and 2020, the weighted average value of contributed food was \$ 1.74 and \$ 1.62 per pound, respectively. GMFB also receives food donations from local food drives. These food donations are distributed to partner agencies located in GMFB's service area. For the years ended June 30, 2021 and 2020, GMFB received 3,700,288 and 3,260,464 pounds of food totaling \$ 6,438,501 and \$ 5,281,952 of in-kind food donations, respectively.

GMFB also acts as a partner distribution organization for food donations on behalf of the Atlanta Community Food Bank (ACFB). The GMFB redistributed 3,633,948 and 2,779,499 pounds of food on behalf of the ACFB for the years ended June 30, 2021 and 2020, respectively. These amounts are not included in the donated food in the previous paragraph.

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**NOTE 6 – INVESTMENTS**

GMFB maintains investment accounts with the North Georgia Community Foundation (NGCF). Investments are presented in the financial statements in the aggregate at fair market value. The following schedule summarizes the valuation of the Academy’s investments by the fair value hierarchy levels as of June 30, 2021 and 2020.

	Fair value measurement at June 30, 2021	Fair value measurement at June 30, 2020
	Level I	Level I
NGCF Agency Fund	\$ 1,115,346	\$ -
NGCF Food for Tomorrow Fund	236,167	-
Total	\$ 1,351,513	\$ -

The following schedule summarizes investment returns in the Statement of Activities for the years ended June 30, 2021 and 2020.

	For the Years Ended June 30,	
	2021	2020
Interest and dividend income	\$ 46,147	\$ 1,342
Gain (loss) on investments	132,822	-
Total investment return	\$ 178,969	\$ 1,342

**NOTE 7 – RETIREMENT PLAN**

GMFB maintains a retirement plan for certain employees. GMFB makes a contribution equal to 7.5% of the qualified employee’s salary on a monthly basis into an account on behalf of the eligible employees. Employees are eligible for this contribution after 3 years of employment. The total employer contributions for the years ended June 30, 2021 and 2020 were \$ 31,997 and \$ 26,044, respectively. These amounts are included in the caption “Salaries, wages and benefits” on the Statements of Functional Expenses.

**NOTE 8 – LINE OF CREDIT**

GMFB maintains a line of credit with a financial institution in the amount of \$ 95,000. The line of credit bears interest at Wall Street Journal U.S. Prime Rate plus 1%, for total interest of 4.25% and matures on September 15, 2021. For the years ended June 30, 2021 and 2020, there was no balance on the line of credit. In September of 2021, GMFB renewed the line of credit with the same terms with a maturity date of September 2022.

**NOTE 9 – CONTINGENT LOAN PAYABLE: PAYCHECK PROTECTION PROGRAM LOAN**

On April 20, 2020, GMFB received loan proceeds in the amount of \$ 142,687 under the Paycheck Protection Program (“PPP”), which was established as a part of the Coronavirus Aid, Relief and Economic Security Act. During the fiscal year, GMFB received full forgiveness of the loan. These amounts are included in the caption “Other nonrecurring revenue – PPP forgiveness” on the Statements of Activities.

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**NOTE 10 – LEASE OBLIGATION**

The agency entered into an operating lease agreement for a box truck in 2016. The terms of the lease called for a refundable security deposit in the amount of \$ 5,000 and 84 fixed monthly lease payments in the amount of \$ 1,602 with 27 monthly payments remaining as of June 30, 2021. GMFB also entered into a copier lease agreement in 2020. The terms of the lease call for 48 fixed monthly lease payments in the amount of \$ 448 with 31 monthly payments remaining as of June 30, 2021.

As of June 30, 2021, lease payments due within the next three years are as follows:

<u>Year ending June 30,</u>	
2021	\$ 24,600
2022	24,600
2023	<u>7,942</u>
Total	<u>\$ 57,142</u>

**NOTE 11 – NET ASSETS**

Net assets with donor restrictions consist of the following:

	<u>For the Years Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 26,240	\$ 18,333
Increases:		
United Way	32,083	26,240
Stratton	20,000	-
Renaissance	50,000	-
North Georgia Community Foundation	17,500	-
Ben Brady Foundation	20,000	-
Cook Law	15,000	-
Riverstone	5,000	-
Total Increases	<u>159,583</u>	<u>26,240</u>
Decreases:		
Food Programs	(26,240)	(18,333)
Total Decreases	<u>(26,240)</u>	<u>(18,333)</u>
Ending Balance	<u>\$ 159,583</u>	<u>\$ 26,240</u>

**NOTE 12 – OTHER GAIN (LOSS) RELATED TO ROOF REPLACEMENT**

During the current fiscal year, GMFB discovered storm damage on their facility's roof. A contractor was hired to replace the roof. An insurance claim was filed and proceeds were received for the damaged roof. The construction for the replacement roof was subpar and rendered unusable. Any costs associated with the unusable roof is included in the caption "Other gain (loss)" on the Statements of Activities. Subsequent to year end, a new contractor was hired to finish the roof construction.

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**NOTE 13 – SUBSEQUENT EVENTS**

In connection with the preparation of the financial statements, management has evaluated events subsequent to the financial statement date through December 14, 2021, the date the financial statements were available to be issued.

Subsequent to year end, GMFB has spent \$ 152,460 towards the roof replacement described in note 12 as of the date the financial statements were available to be issued.

The COVID-19 pandemic has developed rapidly since 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. GMFB has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures such as social distancing and removal of volunteers. No adjustments have been made to these financial statements as a result of this uncertainty. Future potential impacts may include disruptions or restrictions on GMFB's employees' ability to work and the ability to obtain volunteers. The future effects of these issues are unknown.