

ATLANTA COMMUNITY FOOD BANK, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023



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The report accompanying this deliverable was issued
by Warren Averett, LLC.

ATLANTA COMMUNITY FOOD BANK, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Atlanta Community Food Bank, Inc.

Opinion

We have audited the accompanying consolidated statements of Atlanta Community Food Bank, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Atlanta Community Food Bank, Inc. as of June 30, 2023, 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 for 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Atlanta Community Food Bank, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Atlanta Community Food Bank, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a 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, including omissions, 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 consolidated 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 consolidated 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 Atlanta Community Food Bank, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Atlanta Community Food Bank, 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 Summarized Comparative Information

We have previously audited Atlanta Community Food Bank, Inc.'s 2022 consolidated financial statements, and our report dated November 15, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of June 30, 2023 and 2022, and consolidating statements of activities for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
December 13, 2023

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,858,343	\$ 24,524,362
Restricted cash	2,054,168	1,755,722
Receivables		
Share contributions and handling fees	137,676	186,410
Grants	8,355,279	3,100,194
Pledges	1,016,526	1,534,109
Pledges – capital campaign	496,544	686,325
Other	40,289	308,572
Inventory – donated	3,869,293	4,433,533
Inventory – purchased	2,370,605	623,319
Prepaid expenses	280,028	370,621
TOTAL CURRENT ASSETS	20,478,751	37,523,167
PROPERTY AND EQUIPMENT		
Land	7,034,368	7,034,368
Buildings and improvements	33,461,075	33,487,847
Furniture and equipment	9,197,086	8,961,587
Vehicles	4,009,684	3,911,873
TOTAL PROPERTY AND EQUIPMENT	53,702,213	53,395,675
Less accumulated depreciation	(14,690,646)	(12,011,795)
	39,011,567	41,383,880
Projects in progress	622,192	-
PROPERTY AND EQUIPMENT, NET	39,633,759	41,383,880
OTHER ASSETS		
Investments	47,954,731	38,332,006
Receivables, less current portion		
Pledges	400,000	44,500
Pledges – capital campaign	-	225,000
Notes receivable	66,314,100	55,225,100
Operating lease right-of-use assets, net	2,096,609	-
TOTAL OTHER ASSETS	116,765,440	93,826,606
TOTAL ASSETS	\$ 176,877,950	\$ 172,733,653

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – CONTINUED
JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS		
	2023	2022
CURRENT LIABILITIES		
Accounts payable	\$ 4,471,076	\$ 3,874,048
Accrued liabilities	1,046,118	785,882
Deferred revenue	451,775	530,657
Current portion of operating lease liabilities	253,499	-
TOTAL CURRENT LIABILITIES	6,222,468	5,190,587
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	1,912,485	-
Loans payable – NMTC, net of unamortized costs	91,819,797	77,362,252
TOTAL LONG-TERM LIABILITIES	93,732,282	77,362,252
TOTAL LIABILITIES	99,954,750	82,552,839
NET ASSETS		
Without donor restrictions		
Undesignated	60,961,845	74,622,615
Board designated	11,415,348	10,557,025
Total net assets without donor restrictions	72,377,193	85,179,640
With donor restrictions		
Restricted by purpose or time	3,718,007	4,173,174
Restricted in perpetuity	828,000	828,000
Total net assets with donor restrictions	4,546,007	5,001,174
TOTAL NET ASSETS	76,923,200	90,180,814
TOTAL LIABILITIES AND NET ASSETS	\$ 176,877,950	\$ 172,733,653

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(with comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE SUPPORT				
Donated product	\$ 183,573,707	\$ -	\$ 183,573,707	\$ 142,735,125
Federal grants	14,422,515	-	14,422,515	16,860,934
Contributions – ACFB	20,403,995	3,797,345	24,201,340	24,490,437
Contributions – FWA	-	-	-	3,140,446
Federal CARES Act PPP grant	-	-	-	1,904,700
In-kind contributions	185,298	-	185,298	332,115
Special events (net of direct costs of \$4,045 and \$46,872, respectively)	5,488,909	-	5,488,909	4,715,878
Net assets released from restrictions	2,065,620	(2,065,620)	-	-
TOTAL SUPPORT	226,140,044	1,731,725	227,871,769	194,179,635
REVENUE				
Share contributions and handling fees	3,300,777	-	3,300,777	2,410,314
Net investment income (loss)	3,292,327	128,108	3,420,435	(4,097,638)
Other income	1,057,037	-	1,057,037	1,795,231
TOTAL REVENUE	7,650,141	128,108	7,778,249	107,907
TOTAL SUPPORT AND REVENUE	233,790,185	1,859,833	235,650,018	194,287,542
EXPENSES				
PROGRAM SERVICES				
Collection, storage and distribution of food	227,613,547	-	227,613,547	188,991,747
Advocacy	1,368,091	-	1,368,091	788,408
TOTAL PROGRAM SERVICES	228,981,638	-	228,981,638	189,780,155
SUPPORTING SERVICES				
Management and general	9,322,629	-	9,322,629	9,962,979
Fundraising	5,938,539	-	5,938,539	5,392,270
TOTAL SUPPORTING SERVICES	15,261,168	-	15,261,168	15,355,249
TOTAL EXPENSES	244,242,806	-	244,242,806	205,135,404
CHANGES IN NET ASSETS	(10,452,621)	1,859,833	(8,592,788)	(10,847,862)
NET ASSETS AT:				
BEGINNING OF YEAR	85,179,640	5,001,174	90,180,814	101,028,676
Transfer of FWA net assets (See Note 1)	(2,349,826)	(2,315,000)	(4,664,826)	-
END OF YEAR	\$ 72,377,193	\$ 4,546,007	\$ 76,923,200	\$ 90,180,814

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE SUPPORT			
Donated product	\$ 142,735,125	\$ -	\$ 142,735,125
Federal grants	16,860,934	-	16,860,934
Contributions – ACFB	22,725,043	1,765,394	24,490,437
Contributions – FWA	656,546	2,483,900	3,140,446
Federal CARES Act PPP grant	1,904,700	-	1,904,700
In-kind contributions	332,115	-	332,115
Special events (net of direct costs of \$46,872)	4,715,878	-	4,715,878
Net assets released from restrictions	5,327,436	(5,327,436)	-
TOTAL SUPPORT	<u>195,257,777</u>	<u>(1,078,142)</u>	<u>194,179,635</u>
REVENUE			
Share contributions and handling fees	2,410,314	-	2,410,314
Net investment loss	(3,994,540)	(103,098)	(4,097,638)
Other income	1,795,231	-	1,795,231
TOTAL REVENUE	<u>211,005</u>	<u>(103,098)</u>	<u>107,907</u>
TOTAL SUPPORT AND REVENUE	<u>195,468,782</u>	<u>(1,181,240)</u>	<u>194,287,542</u>
EXPENSES			
PROGRAM SERVICES			
Collection, storage and distribution of food	188,991,747	-	188,991,747
Advocacy	788,408	-	788,408
TOTAL PROGRAM SERVICES	<u>189,780,155</u>	<u>-</u>	<u>189,780,155</u>
SUPPORTING SERVICES			
Management and general	9,962,979	-	9,962,979
Fundraising	5,392,270	-	5,392,270
TOTAL SUPPORTING SERVICES	<u>15,355,249</u>	<u>-</u>	<u>15,355,249</u>
TOTAL EXPENSES	<u>205,135,404</u>	<u>-</u>	<u>205,135,404</u>
CHANGES IN NET ASSETS	(9,666,622)	(1,181,240)	(10,847,862)
NET ASSETS AT:			
BEGINNING OF YEAR	<u>94,846,262</u>	<u>6,182,414</u>	<u>101,028,676</u>
END OF YEAR	<u>\$ 85,179,640</u>	<u>\$ 5,001,174</u>	<u>\$ 90,180,814</u>

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(with comparative totals for 2022)

	Program Services			Supporting Services			2022 Total Expenses
	Collection, Storage and Distribution of Food	Advocacy	Total Program Services	Management and General	Fundraising	2023 Total Expenses	
Grants and other assistance	\$ 184,191,206	\$ 1,129,006	\$ 185,320,212	\$ -	\$ -	\$ 185,320,212	\$ 143,743,731
Purchased product distributed	25,176,099	-	25,176,099	-	-	25,176,099	28,725,354
Salaries, contract labor and payroll taxes	9,332,483	122,620	9,455,103	3,190,051	1,808,308	14,453,462	13,085,215
Professional services	1,293,138	85,500	1,378,638	1,372,038	1,529,392	4,280,068	4,681,652
Depreciation	2,003,969	-	2,003,969	702,793	-	2,706,762	2,791,689
Employee benefits	1,948,578	19,903	1,968,481	729,009	257,905	2,955,395	2,597,734
Occupancy	198,012	-	198,012	1,218,556	-	1,416,568	1,985,195
Promotional/event expenses	273,183	-	273,183	68,779	1,299,980	1,641,942	1,798,781
Miscellaneous	613,249	5,631	618,880	576,904	568,193	1,763,977	1,283,237
Product shipping and transportation	1,149,100	-	1,149,100	1,102	2,615	1,152,817	1,208,229
Project expenses	586,538	-	586,538	20,938	60,295	667,771	806,054
Information technology	450,852	-	450,852	236,535	78,790	766,177	751,497
Office expenses	269,970	211	270,181	197,652	282,368	750,201	689,140
Interest	-	-	-	612,692	4,424	617,116	504,835
Insurance	-	-	-	247,132	851	247,983	227,616
Travel	94,116	5,220	99,336	117,363	23,892	240,591	135,606
Conference/education/training	33,054	-	33,054	31,085	21,526	85,665	119,839
Total expenses	\$ 227,613,547	\$ 1,368,091	\$ 228,981,638	\$ 9,322,629	\$ 5,938,539	\$ 244,242,806	\$ 205,135,404

See notes to the consolidated financial statements.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services			Total Expenses
	Collection, Storage and Distribution of Food	Advocacy	Total Program Services	Management and General	Fundraising		
Grants and other assistance	\$ 143,174,820	\$ 568,911	\$ 143,743,731	\$ -	\$ -	\$ -	\$ 143,743,731
Purchased product distributed	28,725,354	-	28,725,354	-	-	-	28,725,354
Salaries, contract labor and payroll taxes	8,550,783	128,089	8,678,872	2,993,470	1,412,873		13,085,215
Professional services	1,202,189	70,000	1,272,189	1,960,157	1,449,306		4,681,652
Depreciation	1,958,593	-	1,958,593	833,096	-		2,791,689
Employee benefits	1,757,655	17,203	1,774,858	568,833	254,043		2,597,734
Occupancy	126,945	-	126,945	1,855,527	2,723		1,985,195
Promotional/event expenses	275,671	-	275,671	72,876	1,450,234		1,798,781
Miscellaneous	495,079	639	495,718	388,308	399,211		1,283,237
Product shipping and transportation	1,208,229	-	1,208,229	-	-		1,208,229
Project expenses	617,609	-	617,609	68,078	120,367		806,054
Information technology	461,502	-	461,502	198,926	91,069		751,497
Office expenses	280,628	1,318	281,946	209,859	197,335		689,140
Interest	-	-	-	504,835	-		504,835
Insurance	102,241	-	102,241	125,148	227		227,616
Travel	43,908	2,248	46,156	79,455	9,995		135,606
Conference/education/training	10,541	-	10,541	104,411	4,887		119,839
Total expenses	\$ 188,991,747	\$ 788,408	\$ 189,780,155	\$ 9,962,979	\$ 5,392,270		\$ 205,135,404

See notes to the consolidated financial statements.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (8,592,788)	\$ (10,847,862)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Transfer of FWA net assets	(4,664,826)	-
Depreciation	2,706,762	2,791,689
Amortization of loan closing costs	123,028	50,704
Noncash operating lease expense	112,003	-
Realized loss (gain) on sale of investments	914,121	(1,046,070)
Unrealized (gain) loss on investments	(3,436,694)	5,598,005
Decrease in inventory – donated	564,240	1,078,778
Change in assets and liabilities		
(Increase) decrease in receivables	(4,361,204)	3,426,912
(Increase) decrease in inventory – purchased	(1,747,286)	2,232,144
Decrease in prepaid expenses	90,593	37,066
Increase in accounts payable and accrued liabilities	857,264	190,057
(Decrease) increase in deferred revenue	(78,882)	124,085
Decrease in deferred revenue – PPP grant	-	(1,904,700)
Decrease in payments on operating lease liabilities	(42,628)	-
Net cash (used in) provided by operating activities	<u>(17,556,297)</u>	<u>1,730,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(334,449)	(765,300)
Projects in progress	(622,192)	-
Investments	(7,100,152)	(24,746,316)
Issuance of note receivable	<u>(11,089,000)</u>	<u>(24,723,600)</u>
Net cash used in investing activities	<u>(19,145,793)</u>	<u>(50,235,216)</u>

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable - NMTC	\$ 14,840,000	\$ 32,340,000
Loan closing costs	(505,483)	(608,452)
Net cash provided by financing activities	<u>14,334,517</u>	<u>31,731,548</u>
NET DECREASE IN		
CASH AND CASH EQUIVALENTS	(22,367,573)	(16,772,860)
CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF YEAR	<u>26,280,084</u>	<u>43,052,944</u>
END OF YEAR	<u>\$ 3,912,511</u>	<u>\$ 26,280,084</u>
Cash and cash equivalents – unrestricted	\$ 1,858,343	\$ 24,524,362
Cash and cash equivalents – restricted	<u>2,054,168</u>	<u>1,755,722</u>
	<u>\$ 3,912,511</u>	<u>\$ 26,280,084</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	<u>\$ 612,238</u>	<u>\$ 454,131</u>
Additions to right-of-use lease assets obtained from new operating lease liabilities	<u>\$ 2,224,744</u>	<u>\$ -</u>
Transfer of FWA net assets:		
Cash and cash equivalents	\$ 2,009,160	\$ -
Pledges receivable	1,265,000	-
Investments	1,301,513	-
Prepaid expenses	26,259	-
Property and equipment, net	100,688	-
Accounts payable and accrued expenses	<u>(37,794)</u>	<u>-</u>
	<u>\$ 4,664,826</u>	<u>\$ -</u>

See notes to the consolidated financial statements.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

1. DESCRIPTION OF ORGANIZATION

Atlanta Community Food Bank, Inc. (ACFB) is a not-for-profit corporation whose mission is to fight hunger by engaging, educating, and empowering our community. ACFB was founded in 1979 and serves 29 counties in Metro Atlanta and North Georgia. ACFB's primary operational focus is the distribution of food and other donated grocery items. ACFB currently distributes over 116 million pounds of product each year to more than 700 not-for-profit partner agencies, including food pantries, community kitchens, shelters and other organizations that operate hunger relief programs. These partner agencies utilize the product from ACFB to provide groceries and meals for families and individuals suffering from hunger and food insecurity. In alignment with its mission, ACFB also operates several programs and initiatives that aid in education and advocacy, community building and ACFB partner agencies' capacity to provide for people in need. Among these projects and initiatives are:

- *Community Food Experience* – introduces groups of all ages to hunger and poverty issues in the U.S. and Georgia and is facilitated by ACFB's education and outreach staff.
- *Agency Capacity Building* – provides grants as well as consultation and workshops for ACFB partner agencies. This support increases an agency's ability to serve people in need in their specific location as well as to collaborate with other like-minded agencies to more fully address the impacts of poverty.
- *Community Food Center (CFC)* – a local food distribution site opened during FY2021 to provide food directly to neighbors in need in underserved communities. Located in Gwinnett county, the CFC is operated by ACFB and volunteers. During 2023, the CFC distributed almost 1.8 million pounds of food to an average of 939 clients per month. Additional CFCs will be opened in the future in underserved communities within ACFB's service area. In 2023, ACFB secured and began renovations on a CFC located in Marietta, Georgia with a planned opening of July 2023.
- *Home Delivery Program* – on January 1, 2023, ACFB started a new home delivery program from the 3400 North Desert Drive location in East Point, Georgia. ACFB delivered an average of 800 individual food boxes per week for a total of 520,000 pounds, for the period January 1, 2023 through June 30, 2023.

ACFB is a member of Feeding America, the nation's leading domestic hunger relief charity, in concert with over 200 other food banks nationwide.

ACFB Support Organization, Inc. (the Corporation) was formed on June 20, 2018, for the purpose of facilitating a New Markets Tax Credit transaction (Note 5) to support construction and outfitting a new facility.

ACFB Charitable Investments (CI) was formed on September 8, 2021, for the purpose of facilitating a New Markets Tax Credit transaction for working capital (Note 5).

Food Well Alliance, Inc. (FWA) was formed in partnership with ACFB in 2014 to connect Atlanta's local food movement around building healthier communities, transforming our local food system and improving our lives. FWA was established through a grant from a single donor, which required ACFB to act in an agency capacity to establish and incubate FWA. As of July 1, 2022, ACFB no longer acted in an agency capacity to FWA, and the net assets were transferred.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-20, *Not-for-Profit Entities – Financially Related Entities*, since ACFB had a controlling financial interest in FWA, the Corporation and CI, prior to July 1, 2022, the entities were consolidated and collectively referred to herein as the Food Bank. As of July 1, 2022, ACFB no longer had a controlling financial interest in FWA and the net assets were transferred to FWA.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of ACFB, FWA, the Corporation and CI. All inter-organization balances and transactions were eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Food Bank have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities at year-end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Food Bank and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Board Designated – Assets designated by the Board of Directors (the Board) to be held for endowment or other specified purposes. The Board can elect to remove these designations in the future.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Food Bank and/or passage of time as well as net assets subject to donor-imposed stipulations that the Food Bank maintain them in perpetuity. Earnings from the Food Bank's net assets held in perpetuity are restricted by donors to provide a permanent source of income.

Reclassifications

Certain 2022 accounts have been reclassified to conform to the 2023 presentation. Total net assets and changes in net assets, as previously reported for 2022, were unchanged due to these reclassifications.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support and expenses during the reported period. Actual results could differ from those estimates.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions and Unconditional Promises to Give

Contributions are recorded and presented in accordance with FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*. Contributions are recognized when the donor makes a promise to give to the Food Bank that is, in substance, unconditional. Unconditional promises to give are recorded as received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk adjusted discount rates.

The Food Bank uses the allowance method to determine the uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises received. Since all pledges receivable were deemed to be collectible, there is no allowance for doubtful pledges at June 30, 2023 and 2022.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated by the donor for specific purposes or for use in a future period are reported as an increase to net assets with donor restrictions.

Restrictions on contributions expire when a purpose or time restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying consolidated statement of activities as net assets released from restrictions. Net assets with donor restrictions include the principal amount of contributions accepted with the stipulation from the donors that the principal be maintained in perpetuity.

Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions upon satisfaction of the donor restriction.

Noncash Contributions

Noncash contributions received and made are recorded at amounts that approximate market value at the date received or distributed.

	2023		2022	
	lbs.	\$	lbs.	\$
Donated product received				
Food – federal	11,003,999	\$ 17,276,278	16,709,958	\$ 25,566,236
Food – other donations	86,164,471	<u>166,297,429</u>	61,025,463	<u>117,168,889</u>
		<u>\$ 183,573,707</u>		<u>\$ 142,735,125</u>
Donated product distributed				
Food – federal	11,641,894	\$ 18,277,774	17,752,957	\$ 27,162,024
Food – other donations	85,965,509	<u>165,913,432</u>	60,423,331	<u>116,012,796</u>
		<u>\$ 184,191,206</u>		<u>\$ 143,174,820</u>

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

ACFB purchased 21,243,084 pounds of product and distributed 19,189,281 pounds of purchased product in the year ended June 30, 2023. ACFB purchased 14,054,880 pounds of product and distributed 17,227,780 pounds of purchased product in the year ended June 30, 2022.

In-kind Contributions

The Food Bank utilizes in-kind contributions to carry out its mission. All in-kind contributions received during the years ended June 30, 2023 and 2022, were considered without donor restrictions and able to be used by the Food Bank as determined by the Board of Directors and management. The Food Bank valued in-kind contributed services based on current market rates for comparable services. In-kind contributions are included in support revenue and program expenses in the accompanying statement of activities.

Contributed Services: Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Food Bank receives numerous volunteer hours each year that are not valued in the consolidated financial statements because the services do not meet the criteria. For the year ended June 30, 2023, ACFB received over 39,000 volunteer visits, resulting in 97,700 hours of service. For the year ended June 30, 2022, ACFB received over 16,000 volunteer visits, resulting in 37,400 hours of service.

Other In-kind Contributions: The Food Bank receives various other in-kind contributions that is used to support its mission and values using estimated market values.

The Food Bank received the following in-kind contributions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 140,098	\$ 286,490
Other	45,200	45,625
	<u>\$ 185,298</u>	<u>\$ 332,115</u>

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of their short maturities. Restricted cash, which is required to be held in separate bank accounts, included amounts restricted for payment of certain fees at June 30, 2023 and 2022.

Concentrations of Credit and Market Risk

The Food Bank maintains its cash in bank deposit accounts at financial institutions. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to statutory limits. The Food Bank's cash balances periodically exceed the federally insured limit. At June 30, 2023 and 2022, the Food Bank's uninsured cash balance was \$4,391,543 and \$27,465,824, respectively. See Note 7 for restricted cash accounts included in the June 30, 2023 and 2022 cash balances.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Four donors represent 78% and 77% of the balance of pledges receivable at June 30, 2023 and 2022, respectively.

There was no concentration of donor contributions during the years ended June 30, 2023 and 2022.

Other Receivables

Receivables are stated as unpaid balances, less an allowance for doubtful accounts. The Food Bank provides for losses on accounts using management's estimates of 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 and a credit to the receivables. Management did not believe an allowance was necessary at June 30, 2023 or 2022.

Inventory

Inventory consists primarily of donated foods and related consumer products. Donated inventory has been valued in 2023 and 2022 at \$1.57 per pound and \$1.53 per pound, respectively, which is an approximation of the average national wholesale value of one pound of donated product. This value was derived from Feeding America, and management believes it is a fair representation of value for the purpose stated above. Feeding America engages RSM to perform annual independent procedures to determine the valuation of one pound of donated product.

Investments

Investments are carried at fair value in accordance with FASB ASC 958-320, *Investments – Debt and Equity Securities for Not-for-Profit Organizations*. Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value measurements are disclosed by level within the fair value hierarchy.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 – Valuations based on quoted prices in markets that are not active or based on valuation models for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 investments include situations where there is little, if any, market activity for the investments. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

See Note 4 for investment categories.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Food Bank holds certain fund of fund investments that are considered Level 2 investments. Management has determined broker reported prices are a reasonable estimation of fair value as of June 30, 2023 and 2022. Broker reported prices are determined using inputs including last trade prices, current market conditions, perceived market movements, news and other relevant information.

The fair value of money market funds is valued based on cost, which approximates fair value. The fair value of mutual funds, equities, bonds and exchange traded funds is valued at the closing price reported on an active market on which the security is traded.

These methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Property and Equipment

The Food Bank capitalizes all expenditures for property, furniture and equipment in excess of \$5,000. Property and equipment are recorded at cost or fair value, if donated, and are depreciated using the straight-line method as follows:

Buildings and improvements	15 - 30 years
Furniture and equipment	3 - 15 years
Vehicles	5 - 7 years

Depreciation expense in the amount of \$2,706,762 and \$2,791,689 has been charged to operations for the year ended June 30, 2023 and 2022, respectively.

Right-of-Use Assets and Lease Liabilities

Effective July 1, 2022, the Food Bank adopted FASB ASC Topic 842, *Leases* (Topic 842). Under Topic 842, a lessee is required to recognize a lease liability and a right-of-use lease asset on the consolidated statements of financial position. Upon adoption of the new guidance, the Food Bank recognized right-of-use lease assets and lease liabilities of \$2,224,744 and \$2,208,612, respectively. There was no cumulative effect adjustment to the Food Bank's net assets as a result of the adoption of this standard.

In connection with the adoption of Topic 842, the Food Bank elected to apply the following practical expedients:

- not to reassess whether a contract includes an embedded lease at adoption;
- not to reassess the previously determined classification of a lease as operating or capital;
- not to reassess previously recorded initial direct costs;
- election of an accounting policy that permits inclusion of both the lease and non-lease components as a single lease component;
- election of an accounting policy to exclude lease accounting requirements for leases that have terms of less than 12 months; and
- the use of hindsight in determining the lease term and in assessing impairment of right-of-use assets.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In accordance with Topic 842, at lease commencement, the Food Bank initially measures the lease liability at the present value of payments expected to be made during the lease term. The right-of-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Key estimates and judgments related to leases include how the Food Bank determines: (1) the discount rate used to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The Food Bank uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Food Bank generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease, as well as expected renewal terms. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Food Bank monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right-of-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability.

Compensated Absences

It is the Food Bank's policy to permit employees to accumulate earned, but unused, paid time-off (PTO) benefits. In accordance with the provisions of FASB ASC 710-10-25, *Recognition of Compensated Absences*, no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, the amounts of such payments cannot be reasonably estimated, nor are they paid if an employee leaves the Food Bank. All PTO is accrued when earned; a maximum of 40 hours can be carried over to the next fiscal year.

Grant Revenue and Deferred Revenue

Grant revenue is primarily recognized on a reimbursement basis and is recognized as expenditures are made and related work progresses. Unexpended funds received under these grants and contracts are recorded as deferred revenue. At June 30, 2023 and 2022, deferred revenue also includes special event sponsorships and ticket sales that relate to an event in the subsequent year.

Share Contributions and Handling Fees

Share contributions and handling fees consist of those amounts paid to the Food Bank by agencies as a contribution to defray the costs of storage and distribution of food and other items. The food is picked up from the Food Bank by the agency or delivered by the Food Bank to agency sites for distribution to those in need. Share contributions and handling fees are reported net of cash credits to affiliated agencies. Cash credits are contributions received by the Food Bank on behalf of affiliated agencies.

**ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, personnel costs have been allocated among the programs and supporting services benefited based on estimates of time and effort and occupancy costs have been allocated on the basis of the function of the personnel using the space involved.

Income Taxes

ACFB and FWA are exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and are classified as organizations which are not a private foundation under Section 509(a) of the IRC. ACFB and FWA qualify for the charitable contribution deduction.

Fair Value of Financial Instruments

Financial instruments, primarily cash, receivables, accounts payable and loans payable are reported at values which the Food Bank believes are not significantly different from fair values. The Food Bank believes no significant credit risk exists with respect to any of its financial instruments.

Events Occurring After Report Date

Management has evaluated events and transactions that occurred between June 30, 2023 and December 13, 2023, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

3. PLEDGES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Pledges receivable	\$ 1,416,526	\$ 1,578,609
Pledges receivable – capital campaign	496,544	911,325
Total pledges receivable	<u>\$ 1,913,070</u>	<u>\$ 2,489,934</u>

Pledges receivable at June 30, 2023, are receivable as follows:

Year ending June 30,	
2024	\$ 1,513,070
2025	<u>400,000</u>
Total pledges receivable	<u>\$ 1,913,070</u>

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

4. INVESTMENTS

The Food Bank's investments at June 30, 2023 and 2022, are comprised of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Level 1 investments				
Money market funds	\$ 4,319,944	\$ 4,319,944	\$ 1,680,388	\$ 1,680,388
Mutual funds				
Diversified Emerging Markets	1,910,780	2,227,768	1,826,205	2,047,210
International	-	-	73,010	92,438
Strategic Income				
Enhanced Yield/Commodities	1,399,894	1,346,422	4,232,493	4,669,459
Small Cap	1,398,726	1,295,444	938,107	1,004,280
Small Cap Index	1,299,348	1,196,961	920,879	951,300
U.S. Large Cap Value	3,351,973	3,263,690	1,862,578	2,037,632
U.S. Mid Cap Core	2,431,887	2,533,395	1,733,533	2,061,157
Individual equities				
U.S. Large Cap Blend	12,550,193	10,123,723	9,936,044	8,846,215
U.S. Mid Cap Growth	2,592,948	2,150,301	1,804,653	1,763,119
International American Depositary Receipts	4,181,603	3,750,295	3,047,693	3,259,304
Individual bonds				
U.S. Treasury and Federal Agency	6,436,095	6,727,898	4,734,044	4,833,377
U.S. Taxable Corporate	3,207,296	3,370,115	2,652,303	2,772,221
Exchange Traded Funds	-	-	744,019	854,431
Total Level 1 investments	45,080,687	42,305,956	36,185,949	36,872,531
Level 2 investments – United States				
Limited partnership alternatives				
Non-Directional Single Strategy Hedge FOF	392,625	250,000	382,941	250,000
Directional Multi-Strategy Hedge FOF	1,117,203	1,125,000	1,116,872	1,125,000
Other fund of funds alternatives				
Private Real Estate/Real				
Assets Fund of Funds	1,364,216	1,352,214	646,244	599,608
Total Level 2 investments	2,874,044	2,727,214	2,146,057	1,974,608
Total investments	\$ 47,954,731	\$ 45,033,170	\$ 38,332,006	\$ 38,847,139

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

4. INVESTMENTS – CONTINUED

Investment income for the year ended June 30, 2023 and 2022, is composed of:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 1,031,782	\$ 511,668
Brokerage fees	(133,920)	(57,371)
Unrealized gain (loss) on investments	3,436,694	(5,598,005)
Realized (loss) gain on investments	<u>(914,121)</u>	<u>1,046,070</u>
Net investment income (loss)	<u>\$ 3,420,435</u>	<u>\$ (4,097,638)</u>

5. NEW MARKETS TAX CREDIT TRANSACTIONS

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (CDEs). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

ACFB's new facility is located within a census tract that is eligible for the NMTC Program. In order to benefit under the NMTC Program, in September 2018, ACFB entered into a series of agreements and transactions with four CDEs and ACFB Investment Fund, Inc. (Investment Fund) affiliated with a commercial bank. ACFB determined that financing under the NMTC program would provide an attractive source of funding for the project, ultimately providing \$12,541,222 of additional capital to the project. ACFB formed the Corporation to facilitate the transaction, by issuance of a \$30,501,500 note receivable (see Note 6) to the Investment Fund. A portion of the funds loaned were financed by a \$30,784,665 bridge loan agreement with the bank, proceeds of which funded construction costs. The bridge loan was repaid in 2020 using funds raised in the capital campaign.

In November 2021, ACFB entered into an additional series of agreements and transactions with two CDEs and ACFB II Investment Fund, Inc. (Investment Fund II) affiliated with a commercial bank. ACFB formed ACFB Charitable Investments (CI) to facilitate the transaction, by issuance of a \$24,723,600 note receivable (see Note 6) to the Investment Fund II. This transaction provided an additional \$5,811,174 in working capital to ACFB.

In December 2022, ACFB entered into a third series of agreements and transactions with two CDEs and ACFB III Investment Fund, Inc. (Investment Fund III) affiliated with a commercial bank. ACFB utilized CI to facilitate the transaction, by issuance of a \$11,089,000 note receivable (see Note 6) to the Investment Fund III. This transaction provided an additional \$2,360,285 in working capital to ACFB.

Also, see Note 7 for notes payable to the CDEs totaling \$92,760,000.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

6. NOTES RECEIVABLE

On September 20, 2018, ACFB executed a \$30,501,500 note receivable with the Investment Fund as part of the NMTC transaction (see Note 5). The note receivable, including all accrued interest, is due in full on September 20, 2046. The note requires quarterly interest only payments for the initial seven-year period. The note then amortizes over the remaining 21 years. Interest accrues at 1% per annum. Quarterly interest payments commenced December 15, 2018. Interest payments totaled \$305,015 for each of the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, the balance of the note receivable was \$30,501,500.

On November 24, 2021, ACFB executed a \$24,723,600 note receivable with the Investment Fund II as part of the NMTC transaction (see Note 5). The note receivable, including all accrued interest is due in full on July 31, 2049. The note requires quarterly interest only payments for the initial seven-year period. The note then amortizes over the remaining 21 years. Interest accrues at 1% per annum. Quarterly interest payments commenced December 15, 2021. Interest payments totaled \$254,578 and \$132,172 for the years ended June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, the balance on the note receivable was \$24,723,600.

On December 21, 2022, ACFB executed a \$11,089,000 note receivable with the Investment Fund III as part of the NMTC transaction (see Note 5). The note receivable, including all accrued interest is due in full on July 31, 2049. The note requires quarterly interest only payments for the initial seven-year period. The note then amortizes over the remaining 21 years. Interest accrues at 1% per annum. Quarterly interest payments commenced December 21, 2022. Interest payments totaled \$31,589 for the year ended June 30, 2023. At June 30, 2023, the balance on the note receivable was \$11,089,000.

7. LOANS PAYABLE

As discussed in Note 5, the Corporation received loans amounting to \$45,580,000 on September 19, 2018, through a NMTC transaction. The notes, which are due on September 20, 2053, require quarterly interest only payments for the initial seven-year period. The notes then amortize over the remaining 28 years. The notes bear interest at 1.0335% per annum. Interest payments totaled \$305,069 for each of the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, the outstanding balances totaled \$45,580,000.

As discussed in Note 5, CI received loans amounting to \$32,340,000 on November 24, 2021, through a NMTC transaction. The notes which are due on July 31, 2049, require quarterly interest only payments for the initial seven-year period. The notes then amortize over the remaining 21 years. The notes bear interest at 1.0000% per annum. Interest payments totaled \$247,291 and \$149,062 for 2023 and 2022, respectively. At June 30, 2023 and 2022, the outstanding balances totaled \$32,340,000.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

7. LOANS PAYABLE – CONTINUED

As discussed in Note 5, CI received additional loans amounting to \$14,840,000 on December 21, 2022, through a NMTC transaction. The notes which are due on July 31, 2049, require quarterly interest only payments for the initial seven-year period. The notes then amortize over the remaining 21 years. The notes bear interest at 1.0000% per annum. Interest payments totaled \$59,878 for 2023. At June 30, 2023, the outstanding balance was \$14,840,000.

Reserve accounts were established in connection with the NMTC transactions to provide additional security to the lenders. ACFB does not have access to withdraw funds from these accounts. The lenders have access to withdraw funds from the interest and fee reserve accounts for interest or fees. Reserve account balances at June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Raza Development Fund reserve	\$ 537,719	\$ 635,874
Rural Development Partners reserve	321,487	457,367
BlueHub Capital reserve	375,773	446,445
CAHEC Fee reserve	326,546	-
Carver State Bank reserve	328,889	-
The Reinvestment Fund reserve	163,754	216,036
	<u>\$ 2,054,168</u>	<u>\$ 1,755,722</u>

No prepayment is allowed on the NMTC notes during the initial seven-year period.

Total interest cost of \$612,238 and \$454,131 was recognized during the years ended June 30, 2023 and 2022, respectively.

Long term debt consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Notes payable	\$ 92,760,000	\$ 77,920,000
Less unamortized loan closing costs	<u>(940,203)</u>	<u>(557,748)</u>
Notes payable net of unamortized loan closing costs	<u>\$ 91,819,797</u>	<u>\$ 77,362,252</u>

The net unamortized amount of debt issuance costs as of June 30, 2023 and 2022 amounted to \$940,203 and \$557,748, respectively. The unamortized loan cost includes \$1,113,935 and \$608,452 of loan costs at June 30, 2023 and 2022, respectively, and accumulated amortization of \$173,732 and \$50,704, respectively. Amortization expense amounted to \$123,028 and \$50,704 for 2023 and 2022, respectively.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

8. COMPOSITION OF NET ASSETS

Board Designated

The Board of the Food Bank reviews its plans for future needs and from time to time designates appropriate sums of net assets without donor restrictions to assure adequate funding for financing such activities. At June 30, 2023 and 2022, net assets without donor restrictions have been designated by the Board for future programming totaling \$11,415,348 and \$10,557,025, respectively.

Endowment

The Board of the Food Bank has interpreted the Georgia Prudent Management of Institutional Funds Act (GPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Food Bank classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds that are available for expenditure in a manner consistent with the standard of prudence prescribed by GPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

In accordance with GPMIFA, the Food Bank considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Food Bank and (7) the Food Bank's investment policies.

Investment Policy

The Food Bank has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Food Bank must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, the endowment assets are invested in a manner recommended by the finance committee and approved by the Board of Directors.

To satisfy its long-term rate-of-return objectives, the Food Bank relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Food Bank targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

8. COMPOSITION OF NET ASSETS – CONTINUED

Spending Policy

The Food Bank has a policy of appropriating for distribution each year 4% of the average total market value of the endowment for the trailing three-year period ending June 30 unless otherwise approved by ACFB's Board of Directors. In the event the average annualized total return for the trailing three-year period fails to equal or exceed 4%, the Food Bank shall distribute only the Net Income (defined as interest, dividends and other income receipts from investments less expenses) until such time as the trailing three-year return again equals or exceeds 4%. In making distributions, the Food Bank is authorized to use both the Net Income and Net Capital Appreciation (defined as realized and unrealized appreciation in the fair market value of the investments) in excess of the fund's Historic Dollar Value (i.e., corpus).

The Food Bank's executive committee shall have discretion over whether or not distributions are appropriated. If it is determined that a distribution is not needed in a particular year, the executive committee may waive the distribution for the current year, and no appropriation will be made.

Endowment net asset composition by type of fund as of June 30, 2023, is as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions
William F. Shallenberger Trust Fund	\$ 738,000	\$ 1,672,248	\$ 2,410,248
Endowment for Atlanta's Table	90,000	-	90,000
Total funds	\$ 828,000	\$ 1,672,248	\$ 2,500,248

Endowment net asset composition by type of fund as of June 30, 2022, is as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions
William F. Shallenberger Trust Fund	\$ 738,000	\$ 1,544,140	\$ 2,282,140
Endowment for Atlanta's Table	90,000	-	90,000
Total funds	\$ 828,000	\$ 1,544,140	\$ 2,372,140

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

8. COMPOSITION OF NET ASSETS – CONTINUED

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions
Endowment net assets July 1, 2022	\$ 828,000	\$ 1,544,140	\$ 2,372,140
Investment income, net	-	35,863	35,863
Net appreciation	-	92,245	92,245
Appropriated for expenditure	-	-	-
Endowment net assets June 30, 2023	<u>\$ 828,000</u>	<u>\$ 1,672,248</u>	<u>\$ 2,500,248</u>

Changes in endowment net assets for the year ended June 30, 2022, are as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Endowment net assets July 1, 2021	\$ 828,000	\$ 1,647,238	\$ 2,475,238
Investment income, net	-	33,349	33,349
Net depreciation	-	(136,447)	(136,447)
Appropriated for expenditure	-	-	-
Endowment net assets June 30, 2022	<u>\$ 828,000</u>	<u>\$ 1,544,140</u>	<u>\$ 2,372,140</u>

Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at June 30, 2023 and 2022:

	2023	2022
Subject to expenditures for specific time:		
Grants designated for future expenditures	\$ -	\$ 2,315,000
Subject to expenditures for specific purpose:		
Healthy initiatives	1,551,764	273,005
Endowment earnings	1,672,248	1,544,140
Other programming	493,995	41,029
	<u>\$ 3,718,007</u>	<u>\$ 4,173,174</u>

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

8. COMPOSITION OF NET ASSETS – CONTINUED

Net assets with donor restrictions released from restrictions during the years ended June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Grants designated for future expenditures	\$ -	\$ 2,185,000
Healthy initiatives	1,991,746	1,895,565
Other programming	<u>73,874</u>	<u>1,246,871</u>
	<u>\$ 2,065,620</u>	<u>\$ 5,327,436</u>

Net assets subject to restrictions in perpetuity are restricted by donors for investment purposes with income to provide a permanent source of income.

9. RIGHT-OF-USE LEASE ASSETS AND LEASE LIABILITIES

Right-of-use assets and lease liabilities are classified as follows on the consolidated statements of financial position as of June 30, 2023:

Operating Leases

Operating lease right-of-use assets, net	<u>\$ 2,096,609</u>
Current portion of operating lease liabilities	\$ 253,499
Operating lease liabilities, net of current portion	<u>1,912,485</u>
Total operating lease liabilities	<u>\$ 2,165,984</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2023:

Weighted Average Remaining Lease Term

Operating leases 8.78 years

Weighted Average Discount Rate

Operating leases 3.92%

**ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

9. RIGHT-OF-USE LEASE ASSETS AND LEASE LIABILITIES – CONTINUED

Future maturities of lease liabilities as of June 30, 2023, were as follows:

<u>For the Years Ending June 30,</u>	<u>Amount</u>
2024	\$ 333,137
2025	341,559
2026	264,251
2027	234,692
2028	236,628
Thereafter	<u>1,193,737</u>
Total lease payments	2,604,004
Less interest	<u>(438,020)</u>
Present value of lease liabilities	<u>\$ 2,165,984</u>

The following is a summary of lease expense recorded in the consolidated statement of activities for the year ended June 30, 2023:

Operating lease expense included in:	
Collection, storage and distribution of food	\$ 184,820
Management and general	<u>13,926</u>
	<u>\$ 198,746</u>

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Lease assets obtained in exchange for lease obligations:

Operating leases	<u>\$ 2,224,744</u>
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Not included in the amounts above are leases with an initial term of 12 months or less. Expense for these such leases are insignificant for the year ended June 30, 2023.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

10. COMMITMENTS

Commitments

ACFB entered into a contract on March 5, 2018, with the Georgia Mountain Food Bank (GMFB), another 501(c) (3) organization to act as a PDO (Partner Distribution Organization) on behalf of ACFB and Feeding America. Under the terms of the agreement the GMFB acts as a limited agent for the delivery of certain food services within a selected and assigned service area that has specifically been delegated by ACFB and agreed to by both parties.

Key terms of the agreement are as follows:

- 1) The two organizations will remain separately organized, independent entities maintaining separate facilities and equipment. Each of the entities will maintain their own independent records and financial statements; however, they will share this information with each other. They will each maintain their own separate marketing and donor relations as well as other operations and will work together to ensure that they resolve any conflicts as to service area and local contacts.
- 2) GMFB provides ACFB the option of having one of their board members or another representative of the ACFB to serve as an ex-officio member of the GMFB's Board of Directors.

ACFB contributed \$47,042 and \$31,700 to GMFB for operations during the years ended June 30, 2023 and 2022, respectively.

Construction Contract

ACFB entered into a guaranteed maximum price contract on September 4, 2018, for the construction of a new facility in East Point, Georgia. The total amount of the contract, including change orders through June 30, 2021, was \$31,217,088 of which \$31,159,686 was completed. The remainder of the contract was fully completed during the year ended June 30, 2022.

11. RETIREMENT EXPENSE

The Food Bank has a defined contribution pension plan covering all employees, 21 years of age or older, who have completed one year of service. The Food Bank presently contributes 7.5% of the employee's annual gross salary. The amount contributed to the plan for the years ended June 30, 2023 and 2022, was \$897,561 and \$725,448, respectively.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

12. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects ACFB's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one-year, perpetual endowments and accumulated earnings net of appropriations within one year.

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 1,858,343	\$ 24,524,362
Receivables		
Share contributions and handling fees	137,676	186,410
Grants	8,355,279	3,100,194
Pledges	1,016,526	1,534,109
Pledges – capital campaign	496,544	686,325
Other	40,289	308,572
Investments	<u>47,954,731</u>	<u>38,332,006</u>
Financial assets, at year-end	59,859,388	68,671,978
Less: Assets unavailable for general expenditures within one year:		
Net assets with donor purpose or time restrictions	3,718,007	4,173,174
Net assets restricted in perpetuity	828,000	828,000
Board designations	<u>11,415,348</u>	<u>10,557,025</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 43,898,033</u>	<u>\$ 53,113,779</u>

ACFB is substantially supported by contributions and federal grants. Because a donor's restrictions require resources to be used in a particular manner or in a future period, ACFB must maintain sufficient resources to meet those responsibilities to donors. ACFB's endowment funds consist of donor-restricted endowments. Income from the donor-restricted endowment is restricted for investment purposes with income to provide a permanent source of income. Therefore, certain financial assets may not be available for general expenditures within one year. As part of ACFB'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. Board designated amounts could be made available if necessary.

ATLANTA COMMUNITY FOOD BANK, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

13. FEDERAL CORONAVIRUS AID AND RELIEF

In early 2020 an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity.

On March 27, 2020, in response to the pandemic, the President signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. In the weeks that followed, ACFB applied for and received a \$1,904,700 PPP loan granted by the Small Business Administration (SBA). ACFB has elected to account for the PPP loan as a conditional contribution in accordance with the guidance provided by FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958)*. Under the guidance a conditional contribution includes one or more barriers that must be overcome for the recipient to be entitled to the assets transferred and a right-of-return of the asset if a barrier to entitlement is not met. In August 2021, ACFB was granted full forgiveness of the grant and recognized \$1,904,700 as grant revenue during the year ended June 30, 2022.

In June 2022, ACFB was awarded \$29,586,773 from the State Fiscal Recovery Fund Negative Economic Impact program, a part of the American Rescue Plan Act. The funds are to be used to support response to and recovery from the COVID-19 pandemic. The funds are retroactive to March 3, 2021, and are available through October 31, 2026. During 2023, the grant was increased to \$32,545,450 under the same terms.

SUPPLEMENTARY INFORMATION

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

	Atlanta Community Food Bank (ACFB)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Entries	Consolidated Total
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,732,156	\$ 30,557	\$ 95,630	\$ -	\$ 1,858,343
Restricted cash	1,568,927	485,241	-	-	2,054,168
Receivables					
Share contributions and handling fees	137,676	-	-	-	137,676
Grants	8,355,279	-	-	-	8,355,279
Pledges	1,016,526	-	-	-	1,016,526
Pledges – capital campaign	496,544	-	-	-	496,544
Other	40,289	-	-	-	40,289
Due from Corporation	1,267,186	-	-	(1,267,186)	-
Inventory – donated	3,869,293	-	-	-	3,869,293
Inventory – purchased	2,370,605	-	-	-	2,370,605
Prepaid expenses	280,028	-	-	-	280,028
TOTAL CURRENT ASSETS	21,134,509	515,798	95,630	(1,267,186)	20,478,751
PROPERTY AND EQUIPMENT					
Land	145,000	6,889,368	-	-	7,034,368
Buildings and improvements	433,966	33,027,109	-	-	33,461,075
Furniture and equipment	6,491,461	2,705,625	-	-	9,197,086
Vehicles	1,935,673	2,074,011	-	-	4,009,684
TOTAL PROPERTY AND EQUIPMENT	9,006,100	44,696,113	-	-	53,702,213
Less accumulated depreciation	(7,935,287)	(6,755,359)	-	-	(14,690,646)
	1,070,813	37,940,754	-	-	39,011,567
Projects in progress	622,192	-	-	-	622,192
Property and equipment, net	1,693,005	37,940,754	-	-	39,633,759
OTHER ASSETS					
Investments	26,115,721	-	21,839,010	-	47,954,731
Receivables, less current portion					
Pledges	400,000	-	-	-	400,000
Note receivable	-	-	66,314,100	-	66,314,100
Operating lease right-of-use assets, net	2,096,609	-	-	-	2,096,609
TOTAL OTHER ASSETS	28,612,330	-	88,153,110	-	116,765,440
TOTAL ASSETS	\$ 51,439,844	\$ 38,456,552	\$ 88,248,740	\$ (1,267,186)	\$ 176,877,950

See independent auditors' report.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – CONTINUED
JUNE 30, 2023

	Atlanta Community Food Bank (ACFB)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (Corporation)	Eliminating Entries	Consolidated Total
CURRENT LIABILITIES					
Accounts payable	\$ 4,471,076	\$ -	\$ -	\$ -	\$ 4,471,076
Accrued liabilities	1,046,118	-	-	-	1,046,118
Deferred revenue	451,775	-	-	-	451,775
Current portion of operating lease liabilities	253,499	-	-	-	253,499
Due to ACFB	-	1,267,186	-	(1,267,186)	-
TOTAL CURRENT LIABILITIES	<u>6,222,468</u>	<u>1,267,186</u>	<u>-</u>	<u>(1,267,186)</u>	<u>6,222,468</u>
LONG-TERM LIABILITIES					
Operating lease liabilities, net of current portion	1,912,485	-	-	-	1,912,485
Loans payable – NMTC	46,239,797	45,580,000	-	-	91,819,797
TOTAL LONG-TERM LIABILITIES	<u>48,152,282</u>	<u>45,580,000</u>	<u>-</u>	<u>-</u>	<u>93,732,282</u>
TOTAL LIABILITIES	<u>54,374,750</u>	<u>46,847,186</u>	<u>-</u>	<u>(1,267,186)</u>	<u>99,954,750</u>
NET ASSETS					
Without donor restrictions					
Undesignated	(18,068,261)	(8,390,634)	87,420,740	-	60,961,845
Board designated	11,415,348	-	-	-	11,415,348
Total net assets without donor restrictions	<u>(6,652,913)</u>	<u>(8,390,634)</u>	<u>87,420,740</u>	<u>-</u>	<u>72,377,193</u>
With donor restrictions					
Restricted by purpose or time	3,718,007	-	-	-	3,718,007
Restricted in perpetuity	-	-	828,000	-	828,000
Total net assets with donor restrictions	<u>3,718,007</u>	<u>-</u>	<u>828,000</u>	<u>-</u>	<u>4,546,007</u>
TOTAL NET ASSETS	<u>(2,934,906)</u>	<u>(8,390,634)</u>	<u>88,248,740</u>	<u>-</u>	<u>76,923,200</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,439,844</u>	<u>\$ 38,456,552</u>	<u>\$ 88,248,740</u>	<u>\$ (1,267,186)</u>	<u>\$ 176,877,950</u>

See independent auditors' report.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	Atlanta Community Food Bank (ACFB)	Food Well Alliance (FWA)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Entries	Consolidated Total
CURRENT ASSETS						
Cash and cash equivalents	\$ 22,390,827	\$ 2,009,160	\$ 51,506	\$ 72,869	\$ -	\$ 24,524,362
Restricted cash	1,082,319	-	673,403	-	-	1,755,722
Receivables						
Share contributions and handling fees	186,410	-	-	-	-	186,410
Grants	3,100,194	-	-	-	-	3,100,194
Pledges	269,109	1,265,000	-	-	-	1,534,109
Pledges – capital campaign	686,325	-	-	-	-	686,325
Other	308,572	-	-	-	-	308,572
Due from Corporation	1,401,404	-	-	-	(1,401,404)	-
Inventory – donated	4,433,533	-	-	-	-	4,433,533
Inventory – purchased	623,319	-	-	-	-	623,319
Prepaid expenses	344,362	26,259	-	-	-	370,621
TOTAL CURRENT ASSETS	34,826,374	3,300,419	724,909	72,869	(1,401,404)	37,523,167
PROPERTY AND EQUIPMENT						
Land	145,000	-	6,889,368	-	-	7,034,368
Buildings and improvements	416,579	44,159	33,027,109	-	-	33,487,847
Furniture and equipment	6,206,524	49,438	2,705,625	-	-	8,961,587
Vehicles	1,802,862	35,000	2,074,011	-	-	3,911,873
TOTAL PROPERTY AND EQUIPMENT	8,570,965	128,597	44,696,113	-	-	53,395,675
Less accumulated depreciation	(7,425,503)	(27,909)	(4,558,383)	-	-	(12,011,795)
Property and equipment, net	1,145,462	100,688	40,137,730	-	-	41,383,880
OTHER ASSETS						
Investments	16,094,900	1,301,513	-	20,935,593	-	38,332,006
Receivables, less current portion						
Pledges	44,500	-	-	-	-	44,500
Pledges – capital campaign	225,000	-	-	-	-	225,000
Note receivable	-	-	-	55,225,100	-	55,225,100
TOTAL OTHER ASSETS	16,364,400	1,301,513	-	76,160,693	-	93,826,606
TOTAL ASSETS	\$ 52,336,236	\$ 4,702,620	\$ 40,862,639	\$ 76,233,562	\$ (1,401,404)	\$ 172,733,653

See independent auditors' report.

ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – CONTINUED
JUNE 30, 2022

	Atlanta Community Food Bank (ACFB)	Food Well Alliance (FWA)	ACFB Support Organization (Corporation)		Eliminating Entries	Consolidated Total
CURRENT LIABILITIES						
Accounts payable	\$ 3,874,048	\$ -	\$ -	\$ -	\$ -	\$ 3,874,048
Accrued liabilities	748,088	37,794	-	-	-	785,882
Deferred revenue	530,657	-	-	-	-	530,657
Due to ACFB	-	-	1,401,404	-	(1,401,404)	-
TOTAL CURRENT LIABILITIES	<u>5,152,793</u>	<u>37,794</u>	<u>1,401,404</u>	<u>-</u>	<u>(1,401,404)</u>	<u>5,190,587</u>
LONG-TERM LIABILITIES						
Loans payable – NMTC	31,782,252	-	45,580,000	-	-	77,362,252
TOTAL LONG-TERM LIABILITIES	<u>31,782,252</u>	<u>-</u>	<u>45,580,000</u>	<u>-</u>	<u>-</u>	<u>77,362,252</u>
TOTAL LIABILITIES	<u>36,935,045</u>	<u>37,794</u>	<u>46,981,404</u>	<u>-</u>	<u>(1,401,404)</u>	<u>82,552,839</u>
NET ASSETS						
Without donor restrictions						
Undesignated	2,985,992	2,349,826	(6,118,765)	75,405,562	-	74,622,615
Board designated	10,557,025	-	-	-	-	10,557,025
Total net assets without donor restrictions	<u>13,543,017</u>	<u>2,349,826</u>	<u>(6,118,765)</u>	<u>75,405,562</u>	<u>-</u>	<u>85,179,640</u>
With donor restrictions						
Restricted by purpose or time	1,858,174	2,315,000	-	-	-	4,173,174
Restricted in perpetuity	-	-	-	828,000	-	828,000
Total net assets with donor restrictions	<u>1,858,174</u>	<u>2,315,000</u>	<u>-</u>	<u>828,000</u>	<u>-</u>	<u>5,001,174</u>
TOTAL NET ASSETS	<u>15,401,191</u>	<u>4,664,826</u>	<u>(6,118,765)</u>	<u>76,233,562</u>	<u>-</u>	<u>90,180,814</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 52,336,236</u>	<u>\$ 4,702,620</u>	<u>\$ 40,862,639</u>	<u>\$ 76,233,562</u>	<u>\$ (1,401,404)</u>	<u>\$ 172,733,653</u>

See independent auditors' report.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Atlanta Community Food Bank (ACFB)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Total	Total
PUBLIC SUPPORT AND REVENUE SUPPORT					
Donated product	\$ 183,573,707	\$ -	\$ -	\$ -	\$ 183,573,707
Federal grants	14,422,515	-	-	-	14,422,515
Contributions – ACFB	24,201,340	-	-	-	24,201,340
Contributions – CI	-	-	11,104,500	(11,104,500)	-
In-kind contributions	185,298	-	-	-	185,298
Special events (net of direct costs of \$4,045)	5,488,909	-	-	-	5,488,909
TOTAL SUPPORT	227,871,769	-	11,104,500	(11,104,500)	227,871,769
REVENUE					
Share contributions and handling fees	3,300,777	-	-	-	3,300,777
Net investment income	1,696,956	-	1,723,479	-	3,420,435
Other income – ACFB	751,098	-	-	-	751,098
Other income – Corporation	-	446,178	-	(446,000)	178
Other income – CI	-	-	305,761	-	305,761
TOTAL REVENUE	5,748,831	446,178	2,029,240	(446,000)	7,778,249
TOTAL SUPPORT AND REVENUE	233,620,600	446,178	13,133,740	(11,550,500)	235,650,018

See independent auditors' report.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023**

	Atlanta Community Food Bank (ACFB)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Total	Total
EXPENSES					
PROGRAM SERVICES					
Collection, storage and distribution of food – ACFB	\$ 227,613,547	\$ -	\$ -	\$ -	\$ 227,613,547
Advocacy	1,368,091	-	-	-	1,368,091
Contributions to CI	11,104,500	-	-	(11,104,500)	-
TOTAL PROGRAM SERVICES	240,086,138	-	-	(11,104,500)	228,981,638
SUPPORTING SERVICES					
Management and general – ACFB	7,015,857	-	-	(446,000)	6,569,857
Management and general – Corporation	-	2,718,047	-	-	2,718,047
Management and general – Charitable investments	-	-	34,725	-	34,725
Fundraising	5,938,539	-	-	-	5,938,539
Transfers	(1,083,837)	-	1,083,837	-	-
TOTAL SUPPORTING SERVICES	11,870,559	2,718,047	1,118,562	(446,000)	15,261,168
TOTAL EXPENSES	251,956,697	2,718,047	1,118,562	(11,550,500)	244,242,806
CHANGES IN NET ASSETS	(18,336,097)	(2,271,869)	12,015,178	-	(8,592,788)
NET ASSETS AT:					
BEGINNING OF YEAR – ACFB	15,401,191	-	-	-	15,401,191
BEGINNING OF YEAR – CORPORATION	-	(6,118,765)	-	-	(6,118,765)
BEGINNING OF YEAR – CI	-	-	76,233,562	-	76,233,562
NET ASSETS AT END OF YEAR	\$ (2,934,906)	\$ (8,390,634)	\$ 88,248,740	\$ -	\$ 76,923,200

See independent auditors' report.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Atlanta Community Food Bank (ACFB)	Food Well Alliance (FWA)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Total	Total
PUBLIC SUPPORT AND REVENUE						
SUPPORT						
Donated product	\$142,735,125	\$ -	\$ -	\$ -	\$ -	\$142,735,125
Federal grants	16,860,934	-	-	-	-	16,860,934
Contributions – ACFB	24,490,437	-	-	-	-	24,490,437
Contributions – FWA	-	3,140,446	-	-	-	3,140,446
Contributions – CI	-	-	-	78,996,874	(78,996,874)	-
Federal CARES Act PPP grant	1,904,700	-	-	-	-	1,904,700
In-kind contributions	332,115	-	-	-	-	332,115
Special events (net of direct costs of \$46,872)	4,715,878	-	-	-	-	4,715,878
TOTAL SUPPORT	191,039,189	3,140,446	-	78,996,874	(78,996,874)	194,179,635
REVENUE						
Share contributions and handling fees	2,410,314	-	-	-	-	2,410,314
Net investment income	(1,176,057)	(192,712)	-	(2,728,869)	-	(4,097,638)
Other income – ACFB	1,128,955	-	-	-	-	1,128,955
Other income – FWA	-	219,818	-	-	-	219,818
Other income – Corporation	-	-	446,458	-	-	446,458
TOTAL REVENUE	2,363,212	27,106	446,458	(2,728,869)	-	107,907
TOTAL SUPPORT AND REVENUE	193,402,401	3,167,552	446,458	76,268,005	(78,996,874)	194,287,542
EXPENSES						
PROGRAM SERVICES						
Collection, storage and distribution of food – ACFB	187,401,664	-	-	-	-	187,401,664
Collection, storage and distribution of food – FWA	-	1,590,083	-	-	-	1,590,083
Advocacy	219,497	568,911	-	-	-	788,408
Contributions to CI	78,996,874	-	-	-	(78,996,874)	-
TOTAL PROGRAM SERVICES	266,618,035	2,158,994	-	-	(78,996,874)	189,780,155

See independent auditors' report.

**ATLANTA COMMUNITY FOOD BANK, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022**

	Atlanta Community Food Bank (ACFB)	Food Well Alliance (FWA)	ACFB Support Organization (Corporation)	ACFB Charitable Investments (CI)	Eliminating Total	Total
SUPPORTING SERVICES						
Management and general – ACFB	\$ 6,208,906	\$ -	\$ -	\$ -	\$ -	\$ 6,208,906
Management and general – FWA	-	932,370	-	-	-	932,370
Management and general – Corporation	-	-	2,787,260	-	-	2,787,260
Management and general – CI	-	-	-	34,443	-	34,443
Fundraising	5,392,270	-	-	-	-	5,392,270
TOTAL SUPPORTING SERVICES	<u>11,601,176</u>	<u>932,370</u>	<u>2,787,260</u>	<u>34,443</u>	<u>-</u>	<u>15,355,249</u>
TOTAL EXPENSES	<u>278,219,211</u>	<u>3,091,364</u>	<u>2,787,260</u>	<u>34,443</u>	<u>(78,996,874)</u>	<u>205,135,404</u>
CHANGES IN NET ASSETS	(84,816,810)	76,188	(2,340,802)	76,233,562	-	(10,847,862)
NET ASSETS AT:						
BEGINNING OF YEAR – ACFB	100,218,001	-	-	-	-	100,218,001
BEGINNING OF YEAR – FWA	-	4,588,638	-	-	-	4,588,638
BEGINNING OF YEAR – Corporation	-	-	(3,777,963)	-	-	(3,777,963)
NET ASSETS AT END OF YEAR	<u>\$ 15,401,191</u>	<u>\$ 4,664,826</u>	<u>\$ (6,118,765)</u>	<u>\$ 76,233,562</u>	<u>\$ -</u>	<u>\$ 90,180,814</u>

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