

**WHOLESOME WAVE GEORGIA, INC.  
A NONPROFIT ORGANIZATION  
ATLANTA, GEORGIA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020 and 2019**

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# TURNER & PATAT

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Wholesome Wave Georgia, Inc.

We have audited the accompanying financial statements of Wholesome Wave Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 Wholesome Wave Georgia, Inc. as of December 31, 2020 and 2019, 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.

*Turner and Patat PC*

Turner and Patat, P.C.  
Certified Public Accountants  
November 22, 2021

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**WHOLESOME WAVE GEORGIA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 382,788	\$ 212,944
Receivables		
Grants	103,130	10,996
Partner markets	7,215	-
Promises to give	-	67,048
Prepaid expenses	2,827	3,684
Total Current Assets	<u>495,960</u>	<u>294,672</u>
Fixed Assets		
Furniture and equipment	8,455	8,455
Website improvements	4,500	4,500
Less: accumulated depreciation	<u>(11,965)</u>	<u>(10,911)</u>
Net Fixed Assets	990	2,044
Other Assets		
Security deposits	<u>2,836</u>	<u>2,836</u>
Total Other Assets	<u>2,836</u>	<u>2,836</u>
<b>Total Assets</b>	<b>\$ <u>499,786</u></b>	<b>\$ <u>299,552</u></b>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 27,423	\$ 3,172
Accrued expenses	21,167	15,349
Paycheck Protection Program Loan	76,190	-
Prepaid partner market contributions	<u>-</u>	<u>750</u>
Total Current Liabilities	124,780	19,271
Net Assets		
Without donor restrictions	245,086	210,281
With donor restrictions	<u>129,920</u>	<u>70,000</u>
Total Net Assets	<u>375,006</u>	<u>280,281</u>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>499,786</u></b>	<b>\$ <u>299,552</u></b>

See accompanying notes and accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total December 31, 2020</u>	<u>Total December 31, 2019</u>
<b>Support and Revenue</b>				
Donations	\$ 129,595	\$ -	\$ 129,595	\$ 90,070
Event revenue	56,165	-	56,165	105,943
Private grants	287,540	90,000	377,540	171,446
Public grants	283,693	57,000	340,693	228,191
Partner market contributions	15,855	-	15,855	17,144
In-Kind donations	-	-	-	21,130
Interest Income	1,488	-	1,488	2,683
Net assets released from restrictions	<u>87,080</u>	<u>(87,080)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<b>\$ <u>861,416</u></b>	<b>\$ <u>59,920</u></b>	<b>\$ <u>921,336</u></b>	<b>\$ <u>636,607</u></b>
<b>Expenses</b>				
Program Services	\$ 591,556	\$ -	\$ 591,556	\$ 562,337
Supporting Services				
Management and general	104,057	-	104,057	124,552
Fundraising	<u>130,998</u>	<u>-</u>	<u>130,998</u>	<u>125,508</u>
<b>Total Expenses</b>	<b>\$ <u>826,611</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>826,611</u></b>	<b>\$ <u>812,397</u></b>
Change in net assets	\$ 34,805	\$ 59,920	\$ 94,725	\$ (175,790)
Net assets as of beginning of year	<u>\$ 210,281</u>	<u>\$ 70,000</u>	<u>\$ 280,281</u>	<u>\$ 456,071</u>
<b>Net assets as of end of year</b>	<b>\$ <u><u>245,086</u></u></b>	<b>\$ <u><u>129,920</u></u></b>	<b>\$ <u><u>375,006</u></u></b>	<b>\$ <u><u>280,281</u></u></b>

See accompanying notes and accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Increase (Decrease) in net assets	\$ 94,725	\$ (175,790)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,054	1,740
Decrease (increase) in:		
Receivables	(99,349)	40,606
Prepaid expenses	857	2,481
Promises to give	67,048	73,938
Security deposits	-	(571)
Increase (decrease) in:		
Accounts payable	24,251	(8,531)
Accrued expenses	5,818	10,288
Prepaid partner market contributions	(750)	(3,732)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><b>93,654</b></u>	<u><b>(59,571)</b></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of furniture and equipment	<u>-</u>	<u>(1,000)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u><b>-</b></u>	<u><b>(1,000)</b></u>
<b>Cash Flows From Financing Activities</b>		
Loan Proceeds	<u>76,190</u>	<u>-</u>
<b>Net Cash Provided (Used) By Financing Activities</b>	<u><b>76,190</b></u>	<u><b>-</b></u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>169,844</b>	<b>(60,571)</b>
<b>Cash and cash equivalents as of beginning of year</b>	<u><b>212,944</b></u>	<u><b>273,515</b></u>
<b>Cash and cash equivalents as of end of year</b>	<u><b>\$ 382,788</b></u>	<u><b>\$ 212,944</b></u>
<b>Supplemental Cash Flow Information:</b>		
Interest Paid	\$ <u>-</u>	\$ <u>-</u>
Income Tax Paid	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes and accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		<b>Supporting Services</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Accounting fees	\$ -	\$ 8,500	\$ -	\$ 8,500
Bank fees	27	944	1,819	2,790
Depreciation	-	1,054	-	1,054
Dues and subscriptions	2,526	2,287	262	5,075
Employee benefits	20,641	6,260	17,328	44,229
Event expenses	572		5,679	6,251
Food incentives	252,751	-	-	252,751
Gifts	4,141	-	-	4,141
Insurance	-	6,073	-	6,073
Internship stipends	6,620			6,620
Janitorial services	-	282	-	282
Marketing	73	-	223	296
Meeting expense	2,621	215	-	2,836
Merchandise expense	3,497	-	4,103	7,600
Office supplies	3,291	2,725	360	6,376
Outside services	100	8,622	52	8,774
Partner market scholarships	23,500	-	-	23,500
Payroll tax expense	16,692	3,438	6,632	26,762
Postage	12	565	187	764
Printing	5,751	52	7,452	13,255
Professional fees	18,425	-	3,101	21,526
Rent	20,591	15,542	-	36,133
Salaries and wages	203,461	42,222	83,141	328,824
Seminars and education	400	1,332		1,732
Telephone	4,179	3,156	-	7,335
Travel expenses	1,519	734	49	2,302
Website expenses	166	54	610	830
Total expenses	\$ <u>591,556</u>	\$ <u>104,057</u>	\$ <u>130,998</u>	\$ <u>826,611</u>

See accompanying notes and accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

		<b>Supporting Services</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Accounting fees	\$ -	\$ 8,500	\$ -	\$ 8,500
Bank fees	-	600	1,399	1,999
Depreciation	-	1,740	-	1,740
Dues and subscriptions	2,926	1,009	1,150	5,085
Employee benefits	32,023	7,820	7,654	47,497
Event expenses	-	-	21,617	21,617
Food incentives	209,324	-	-	209,324
Gifts	-	129	-	129
In-Kind expenses	-	3,027	17,103	20,130
Insurance	-	6,827	-	6,827
Internship stipends	1,730	-	-	1,730
Janitorial services	-	380	-	380
Marketing	7,247	-	-	7,247
Meeting expense	2,673	721	-	3,394
Merchandise expense	1,929	-	-	1,929
Office supplies	-	2,386	-	2,386
Outside services	6,461	624	3,240	10,325
Partner market scholarships	38,461	-	-	38,461
Payroll tax expense	15,440	3,192	5,224	23,856
Postage	209	143	266	618
Printing	4,243	-	2,754	6,997
Professional fees	-	14,953	2,200	17,153
Program evaluations	201	-	-	201
Rent	24,833	8,278	-	33,111
Salaries and wages	192,281	55,946	61,230	309,457
Seminars and education	100	50	67	217
Supplies	7,013	4,405	654	12,072
Telephone	3,101	2,896	-	5,997
Transportation services	8,250	-	-	8,250
Travel expenses	3,892	794	173	4,859
Utilities	-	132	-	132
Website expenses	-	-	777	777
Total expenses	\$ <u>562,337</u>	\$ <u>124,552</u>	\$ <u>125,508</u>	\$ <u>812,397</u>

See accompanying notes and accountants' report



**WHOLESOME WAVE GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Organization and Nature of Activities**

Wholesome Wave Georgia, Inc.'s mission is to facilitate access and awareness of healthy food choices for all Georgians in need through local farmers markets and community partners. The Organization accomplishes its mission by creating financial incentives for low-income shoppers through doubling the value of state and federal nutrition benefits spent at the Organization's participating community partners.

During the year ended December 31, 2020, the Organization's Georgia Fresh for Less program increased its community partnerships to 72 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers compared to 68 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers for the year ended December 31, 2019. For the year ended December 31, 2020, the Organization matched \$187,209 in state and federal nutrition benefits spent by low-income shoppers at the Organization's participating farmers markets, farm stands, mobile markets, and brick-and-mortar retailers.

The Organization's Georgia Food for Health program promotes fresh, healthy, locally grown food access and education on how healthy eating can address diet related illnesses such as diabetes and hypertension. The Georgia Food for Health program's goal is to improve health outcomes for program participants with diet-related illnesses through increased fruit and vegetable consumption, education, and regular physician contact. The program is a proven, evidence-based model of preventative healthcare with demonstrated impact, resulting in healthier communities, local food systems, and local economies. For the year ended December 31, 2020, the Organization enrolled 133 program participants in the Georgia Food for Health program compared to 258 program participants enrolled in the program for the year ended December 31, 2019.

**Basis of Accounting**

The accompanying financial statements of Wholesome Wave Georgia, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard requires classification of net assets and revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of these two classes of net assets, with donor restrictions and without donor restrictions, be displayed in the statement of activities and changes in net assets. The accounting standards provide that if a governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions.

See accompanying accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Contributions**

The Organization follows the recommendation of the FASB ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, whereby contributions received are recorded as without donor restriction, or with donor restriction depending on the existence and/or nature of donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of time or purpose restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

**Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period the donor makes the promise to give and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Donated Assets, Services, and Use of Facilities**

Donated property and equipment are recorded at estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. No property and equipment donations were received during the year ended December 31, 2019 or December 31, 2020.

Donations of noncash items used in programs are recorded as contributions at their estimated fair value. Wholesome Wave Georgia, Inc. received and recorded donations of \$13,677 for the year ended December 31, 2019 for their annual Potluck fundraising event. During the year ended December 31, 2019, the Organization received and recorded donations of \$3,426 for Picnic in the Park fundraising event. During the year ended December 31, 2019, the Organization received and recorded donations of \$3,027 for general operating needs. During the year ended December 31, 2020, the Organization did not receive donations of noncash items. No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform tasks that assist the Organization.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Wholesome Wave Georgia, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

See accompanying accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**U.S. Federal Income Tax Status**

Effective March 19, 2012, Wholesome Wave Georgia, Inc. is an exempt organization for Federal income tax purposed under Section 501 (c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. The Organization has not been classified as a private foundation.

**Property Assets and Depreciation**

Property assets are those assets used in the operations of the Organization. They are recorded at cost or, if donated, at the estimated fair market value at the date of the donation. The Organization capitalizes all property and equipment whose cost at the time of purchase or market value at the time of donation exceeds \$1,000. No limitations or restrictions have been placed on any property of the Organization.

Depreciation is recorded using the double declining balance and straight-line methods at various rates calculated to allocate the cost of the respective items over their estimated useful lives. Depreciation expense was \$1,054 for the year ended December 31, 2020 and \$1,740 for the year ended December 31, 2019.

**Functional Allocation of Expenses**

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

**Receivables and Promises to Give**

The Organization considers all receivables and promises to give fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. Unconditional promises to give that are expected to be collected within one year are reported at fair value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of estimated future cash flows.

**Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in without donor restrictions net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Evaluation of Subsequent Events**

The date to which events occurring after December 31, 2020, the date of the most recent statement of financial position, have been evaluated for possible adjustments to financial statements or disclosure is November 22, 2021, which is the date on which the financial statements were available to be issued.

See accompanying accountants' report

**WHOLESOME WAVE GEORGIA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 – CONCENTRATION OF CREDIT RISK**

The Organization serves farmers markets located in Georgia. Although the Organization does not extend credit for services, the Organization is reliant on the economic conditions of the geographic area.

The account balance, at times, may exceed federally insured limits. As of December 31, 2019 and 2020, the account balance did not exceed federally insured limits.

**NOTE 3 – PROMISES TO GIVE**

Promises to give at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
<b>Due within one year</b>		
Various Programs	\$ -	\$ 67,048
Total	\$ -	\$ 67,048

**NOTE 4 – NOTE PAYABLE – PAYCHECK PROTECTION PROGRAM**

Wholesome Wave Georgia, Inc. has a note payable to Chase Bank which is fully guaranteed by the Small Business Administration through the Paycheck Protection Program. The note bears interest at 1%. As of December 31, 2020, the principal balance was \$76,190. This balance and accrued interest were forgiven on March 30, 2021 by the Small Business Administration.

**NOTE 5 – COMMITMENTS**

The Organization rents office space. The office space was rented at a rate of \$2,375 per month through April 2019. On April 1, 2019, the Organization entered into a lease at a new location at a rate of \$2,836 per month. The lease expires on June 30, 2024 with monthly rate changes beginning each July 1.

The Organization's obligation for the remainder of these lease terms is as follows:

<u>For the Year Ending</u>	<u>Lease Obligation</u>
12/31/2021	\$35,578
12/31/2022	\$36,647
12/31/2023	\$37,753
12/31/2024	\$19,156
12/31/2025	\$0

**NOTE 6 – BOARD DESIGNATED NET ASSETS**

At December 31, 2019, board designated net assets consisted of \$146,639 to support the Organization's on-going strategic goal of increasing its operational reserve balance. The balance remained unchanged as of December 31, 2020. Board designated net assets are reported as without donor restriction net assets.

See accompanying accountants' report

**WHOLESOME WAVE GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 – WITH DONOR RESTRICTION NET ASSETS**

With donor restriction net assets are available for use in the development, maintenance and operation of the Organization's various programs. With donor restriction net assets activity is summarized as follows:

With donor restriction net assets as of December 31, 2019	\$	70,000
Restricted donations received in 2020		147,000
Satisfaction of program restrictions		(87,080)
Net increase in restricted assets		<u>59,920</u>
With donor restriction net assets as of December 31, 2020	\$	<u><u>129,920</u></u>

With donor restriction net assets at December 31 were restricted for the following purpose:

	<u>2019</u>	<u>2019</u>
Georgia Fresh for Less Program	\$ 129,920	\$ 70,000

**NOTE 8 – RISKS AND UNCERTAINTIES**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern" which continues to spread throughout the world and has adversely impacted global commercial activity and contributed significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries, including those that depend on contributions for revenue. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

**NOTE 9 – SUBSEQUENT EVENTS**

**Paycheck Protection Program**

The Board voted to apply for the second Paycheck Protection Program Promissory Note (the "PPP Note") in the principal amount of \$72,722 (the "PPP Loan") from Chase Bank (the "PPP Loan Lender"). The PPP Loan was obtained pursuant to the Paycheck Protection Program (the "PPP") of the Consolidated Appropriations Act administered by the U.S. Small Business Administration ("SBA"). The PPP Loan was disbursed by the PPP Loan Lender to the Organization on March 16, 2021 (the "Disbursement Date"), and was set to mature two years from the Disbursement Date. The PPP Loan had an interest rate of 1.00% per annum and was payable monthly commencing 10 months from the Disbursement Date. The PPP Loan could be prepaid at any time prior to maturity with no prepayment penalties. Funds from the PPP Loan may only be used by the Organization for payroll costs, costs for continuing group health care benefits, mortgage interest payments, rent, utility and interest on any other debt obligations that were incurred before February 15, 2020. The Organization received loan forgiveness on November 5, 2021.

See accompanying accountants' report.