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Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Financial Statements
December 31, 2023 and 2022



Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

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December 31, 2023 and 2022

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Wholesome Wave Georgia, Inc. (a not-for-profit organization) (the Organization), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wholesome Wave Georgia, Inc. as of December 31, 2023, and the change in their net assets and their 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

2022 Financial Statements

The financial statements of Wholesome Wave Georgia, Inc. as of and for the year ended December 31, 2022 were audited by other auditors whose report dated September 27, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Bennett Thrasher LLP

August 30, 2024

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 297,616	\$ 243,982
Receivables:		
Grants	743,442	642,801
Partner Markets	2,950	12,850
Prepaid expenses	<u>89</u>	<u>1,454</u>
Total current assets	1,044,097	901,087
Property and equipment, net	257	359
Security deposits	2,836	2,836
Right-of-use asset	<u>21,711</u>	<u>54,491</u>
Total assets	<u>\$ 1,068,901</u>	<u>\$ 958,773</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 124,731	\$ 70,740
Lease liability, current portion	<u>22,255</u>	<u>35,638</u>
Total current liabilities	146,986	106,378
Lease liability, net of current portion	<u>-</u>	<u>18,853</u>
Total liabilities	<u>146,986</u>	<u>125,231</u>
Net assets:		
Without donor restrictions	17,395	150,505
With donor restrictions	<u>904,520</u>	<u>683,037</u>
Total net assets	<u>921,915</u>	<u>833,542</u>
Total liabilities and net assets	<u>\$ 1,068,901</u>	<u>\$ 958,773</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 144,070	\$ -	\$ 144,070
Special events	230,347	-	230,347
Grants	997,992	1,009,924	2,007,916
Partner market contributions	21,450	-	21,450
In-kind revenue	19,500	-	19,500
Interest income	4,252	-	4,252
Net assets released from restriction	<u>788,441</u>	<u>(788,441)</u>	<u>-</u>
Total revenues	<u>2,206,052</u>	<u>221,483</u>	<u>2,427,535</u>
Expenses:			
Program services	1,820,392	-	1,820,392
General and administrative	220,463	-	220,463
Fundraising	<u>298,307</u>	<u>-</u>	<u>298,307</u>
Total expenses	<u>2,339,162</u>	<u>-</u>	<u>2,339,162</u>
Change in net assets	<u>(133,110)</u>	<u>221,483</u>	<u>88,373</u>
Net assets at beginning of year	<u>150,505</u>	<u>683,037</u>	<u>833,542</u>
Net assets at end of year	<u>\$ 17,395</u>	<u>\$ 904,520</u>	<u>\$ 921,915</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 96,249	\$ -	\$ 96,249
Special events	116,703	-	116,703
Grants	799,264	699,999	1,499,263
Partner market contributions	27,990	-	27,990
Interest income	1,556	-	1,556
Net assets released from restrictions	<u>477,628</u>	<u>(477,628)</u>	<u>-</u>
Total revenues	<u>1,519,390</u>	<u>222,371</u>	<u>1,741,761</u>
Expenses:			
Program services	1,293,418	-	1,293,418
General and administrative	156,869	-	156,869
Fundraising	<u>233,405</u>	<u>-</u>	<u>233,405</u>
Total expenses	<u>1,683,692</u>	<u>-</u>	<u>1,683,692</u>
Change in net assets	<u>(164,302)</u>	<u>222,371</u>	<u>58,069</u>
Net assets at beginning of year	<u>314,807</u>	<u>460,666</u>	<u>775,473</u>
Net assets at end of year	<u>\$ 150,505</u>	<u>\$ 683,037</u>	<u>\$ 833,542</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Costs	General and Administrative	Fundraising	Total Expenses
Food incentives	\$ 898,696	\$ -	\$ -	\$ 898,696
Salaries and wages	452,602	52,452	122,670	627,724
Professional fees	180,036	78,336	35,597	293,969
Employee benefits	80,373	31,458	-	111,831
Event expenses	-	-	88,422	88,422
Contract labor	32,747	30,228	-	62,975
Payroll taxes	35,366	3,701	9,498	48,565
Rent expense	27,958	3,240	7,577	38,775
Printing	24,434	144	1,741	26,319
Other expenses	5,022	7,270	6,488	18,780
Grants	22,000	-	-	22,000
Office supplies	14,430	2,019	1,600	18,049
Gifts	13,832	-	-	13,832
Telephone	8,205	951	2,224	11,380
Professional development	-	3,082	7,355	10,437
Travel expenses	8,644	1,506	4,660	14,810
Website costs	1,066	2,993	2,895	6,954
Other program expenses	6,500	-	-	6,500
Meeting expenses	731	3,075	1,913	5,719
Merchant fees	-	-	5,647	5,647
Administrative fees	5,626	-	-	5,626
Bad debt	2,050	-	-	2,050
Depreciation	74	8	20	102
Total expenses	<u>\$ 1,820,392</u>	<u>\$ 220,463</u>	<u>\$ 298,307</u>	<u>\$ 2,339,162</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Costs	General and Administrative	Fundraising	Total Expenses
Food incentives	\$ 423,700	\$ -	\$ -	\$ 423,700
Salaries and wages	360,550	40,343	14,364	415,257
Grants	224,706	-	-	224,706
Professional fees	72,895	14,209	119,918	207,022
Outside services	24,552	54,529	17,950	97,031
Event expenses	1,085	4,145	61,517	66,747
Employee benefits	60,274	-	633	60,907
Rent	27,538	9,205	-	36,743
Payroll tax expense	26,517	4,187	1,103	31,807
Partner market scholarships	25,265	-	-	25,265
Printing	7,878	5,653	273	13,804
Office supplies	11,565	1,560	180	13,305
Telephone	7,212	3,795	-	11,007
Merchandise expense	6,863	-	3,885	10,748
Insurance	-	8,036	-	8,036
Meeting expense	425	4,966	2,199	7,590
Bank fees	387	1,321	5,347	7,055
Bad debt	1,100	-	5,000	6,100
Travel expenses	4,422	-	-	4,422
Dues and subscriptions	1,776	1,530	-	3,306
Supplies	2,801	-	-	2,801
Professional development	-	2,331	18	2,349
Gifts	1,458	-	-	1,458
Website expenses	359	-	928	1,287
Postage	90	913	90	1,093
Depreciation	-	146	-	146
Total expenses	<u>\$ 1,293,418</u>	<u>\$ 156,869</u>	<u>\$ 233,405</u>	<u>\$ 1,683,692</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.
(A Not-For-Profit Organization)

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 88,373	\$ 58,069
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of operating right-of-use asset	37,660	-
Depreciation	102	146
Changes in assets and liabilities:		
Contributions receivable	(90,741)	(417,629)
Prepaid expenses	1,365	32,840
Accounts payable and accrued expenses	53,991	(8,239)
Operating lease liability	<u>(37,116)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>53,634</u>	<u>(334,813)</u>
Net increase (decrease) in cash	<u>53,634</u>	<u>(334,813)</u>
Cash at beginning of year	<u>243,982</u>	<u>578,795</u>
Cash at end of year	<u>\$ 297,616</u>	<u>\$ 243,982</u>

See accompanying notes to financial statements.

Wholesome Wave Georgia, Inc.

(A Not-For-Profit Organization)

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Description of Organization and Summary of Significant Accounting Policies

Description of Organization

Wholesome Wave Georgia, Inc.'s (the Organization) mission is to facilitate access to 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, 2023, the Organization's Georgia Fresh for Less program increased its community partnerships to 84 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers compared to 82 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers for the year ended December 31, 2022. For the year ended December 31, 2023, the Organization matched \$208,916 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 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 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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two class of net assets as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in the corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered in the course of its operations.

- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both (Note 5).

Cash

Cash consists of cash on deposit with a financial institution. At times, cash balances may exceed federally insured amounts. The Organization believes it mitigates any risks by depositing cash and investing in cash equivalents with major financial institutions.

Contributions and Grants

Contributions received (including unconditional promises to give, i.e. pledges or grants) are recognized as revenue in the year received at their estimated fair value. Conditional promises to give and grants are recognized when the conditions are substantially met. Unconditional promises to give are recorded net of an allowance for doubtful pledges. The allowance for doubtful pledges is based on specifically identified amounts that the Organization believes to be uncollectible, plus certain percentages of aged pledged receivables, which are determined based on historical experience and management's assessment of the general financial conditions affecting the Organization's donor base. If actual collections experience changes, revisions to the allowance may be required. The Organization believes that all grants were collectible as of December 31, 2023 and 2022.

Contributions and grants are recorded as revenue without donor restrictions or with donor restrictions depending on the absence or existence of any donor-imposed restrictions. Contributions are generally available for use in the related year unless specifically restricted by the donor. When a donor-imposed restriction is met or the passage of time expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities and changes in net assets and recorded as net assets released from restrictions. Contributions with donor restrictions whose restrictions expire in the same reporting period as received are reported as contributions without donor restrictions in the statements of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Depreciation is calculated based upon the five-year estimated useful life of furniture and equipment and seven-year estimated useful life of website improvements using the straight-line method.

When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the statement of activities and changes in net assets for the period. Costs incurred for maintenance and repairs are expensed as incurred.

Contributed Services and Donated Materials

Donated materials are recognized as contributions at their estimated fair value. Contributions of services are recognized at their estimated fair value, if the services create or enhance nonfinancial assets or, if the services require specialized skills and are performed by people possessing those skills and would otherwise be purchased by the Organization. Volunteers also perform substantial fundraising and operating services that are not recognized in the financial statements if the above criteria are not met.

There were \$19,500 of donated services for the year ended December 31, 2023. There were no donated materials or services for the year ended December 31, 2022.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to income taxes on income from unrelated business activities; however, the Organization had no significant unrelated business taxable income during fiscal years 2023 and 2022. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements.

The Organization applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a more likely than not threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any material uncertain tax positions.

Functional Expenses

The costs of various program and supporting services activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated, on a reasonable basis that is consistently applied among the program, fundraising, and management and general expenses. The expenses that are allocated include payroll and benefits, rent, professional fees, utilities, depreciation expense, insurance expense, and other expenses, which are allocated based on line item analysis and estimates of time and effort.

Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date totaled \$300,566 and \$256,832, respectively, which consisted of cash of \$297,616 and \$243,982 and partner market receivables of \$2,950 and \$12,850, at December 31, 2023 and 2022, respectively.

The Organization is supported primarily by grants and contributions. As part of the Organization's liquidity management, it follows a practice to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3: Property and Equipment

At December 31, 2023 and 2022 property and equipment is as follows:

	2023	2022
Furniture and Equipment	\$ 8,455	\$ 8,455
Website Improvements	<u>4,500</u>	<u>4,500</u>
	12,955	12,955
Less accumulated depreciation	<u>(12,698)</u>	<u>(12,596)</u>
Total	<u>\$ 257</u>	<u>\$ 359</u>

Depreciation expense totaled \$102 and \$146 for the years ended December 31, 2023 and 2022, respectively.

Note 4: Right of Use Assets and Lease Liabilities

Right-of-use (ROU) assets represents the Organization’s right to use an underlying asset for the lease term, and lease liabilities represents the Organization’s obligation to make lease payments arising from the lease. Management assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

The Organization elected the practical expedient to not apply the recognition requirement to leases with a term of less than one year (short term lease). The Organization has also elected to not separate lease and non-lease components of contracts, and to apply the risk-free rate to discount the lease payments to present value.

The Organization leases office space under a long-term non-cancelable operating lease which matures in July 2024. Lease expense is recognized on a straight-line basis over the lease term. The lease generally requires that the Organization pay taxes, maintenance, and insurance. Management believes that in the normal course of business, when the lease expires, it will be renewed or replaced by another lease, and when known, renewals and escalations were factored into the calculation of the right-of-use assets and related operating lease liabilities.

Operating lease expense totaled \$38,775 and \$29,700, respectively, for the years ended December 31, 2023 and 2022. These expenses are included in rent expense in the accompanying statements of functional expenses.

For the years ended December 31, 2023 and 2022, cash paid for amounts included in the measurement of the operating lease liability was \$37,660 and \$36,556, respectively. At December 31, 2023, the weighted average remaining lease term was 0.58 years and the discount rate was 1.27%. There were no ROU assets obtained in exchange for new or acquired operating lease liabilities for the years ended December 31, 2023 and 2022.

Future operating lease payments as of December 31, 2023, including any amounts under optional extension terms expected to be exercised, were \$22,349 and imputed interest was \$94 for the year ending December 31, 2024.

Note 5: Net Assets with Donor Restrictions

The components of nets assets with donor restrictions as of December 31, 2023 and 2022 is as follows:

	2023	2022
Net assets with donor restrictions:		
Purpose restrictions:	\$ 904,520	\$ 683,037
	<u>\$ 904,520</u>	<u>\$ 683,037</u>

Note 6: Commitments and Contingencies

Litigation

As of December 31, 2023, the Organization was not aware of any pending or foreseen litigation. The Organization from time to time may become involved in litigation arising in the ordinary course of business. For any such litigation that may arise, management will consult with legal counsel. Should management estimate any material adverse effect on the Organization’s financial position and changes in net assets, such effect will be disclosed.

Note 7: Subsequent Events

The Organization has evaluated events and transactions occurring from December 31, 2023, through the date of the report, the date the financial statements were available for issuance, and has concluded that all events requiring recognition or disclosure have been incorporated into these financial statements.

* * * * *