

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020**

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses – December 31, 2021	6
Statement of Functional Expenses – December 31, 2020	7
Notes to Financial Statements	8 – 11



TURNER & PATAT

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Wholesome Wave Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years 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 the Wholesome Wave Georgia, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Wholesome Wave Georgia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility 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 Wholesome Wave Georgia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

1165 CEDAR SHOALS DR, ATHENS, GA 30605

1800 HOG MOUNTAIN ROAD, BLDG 700-101, WATKINSVILLE, GA 30677

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 Wholesome Wave Georgia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wholesome Wave Georgia, 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.

Turner and Patak PC

CERTIFIED PUBLIC ACCOUNTANTS

Athens, Georgia

February 9, 2023

WHOLESOME WAVE GEORGIA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 578,795	\$ 382,788
Receivables		
Grants	226,072	103,130
Partner markets	11,950	7,215
Prepaid expenses	1,632	2,827
Total Current Assets	<u>818,449</u>	<u>495,960</u>
Fixed Assets		
Furniture and equipment	8,455	8,455
Website improvements	4,500	4,500
Less: accumulated depreciation	<u>(12,450)</u>	<u>(11,965)</u>
Net Fixed Assets	505	990
Other Assets		
Security deposits	<u>2,836</u>	<u>2,836</u>
Total Other Assets	<u>2,836</u>	<u>2,836</u>
Total Assets	\$ <u>821,790</u>	\$ <u>499,786</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 31,294	\$ 27,423
Accrued expenses	15,023	21,167
Paycheck Protection Program Loan	<u>-</u>	<u>76,190</u>
Total Current Liabilities	46,317	124,780
Net Assets		
Without donor restrictions	314,807	245,086
With donor restrictions	<u>460,666</u>	<u>129,920</u>
Total Net Assets	<u>775,473</u>	<u>375,006</u>
Total Liabilities and Net Assets	\$ <u>821,790</u>	\$ <u>499,786</u>

See accompanying notes and accountants' report

WHOLESOME WAVE GEORGIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total December 31, 2021</u>	<u>Total December 31, 2020</u>
Support and Revenue				
Donations	\$ 121,501	\$ -	\$ 121,501	\$ 129,595
Event revenue	-	-	-	56,165
Private grants	218,000	242,242	460,242	377,540
Public grants	260,065	395,000	655,065	340,693
Forgiveness of Paycheck Protection Program Loan	148,912	-	148,912	-
Partner market contributions	24,938	-	24,938	15,855
Interest Income	587	-	587	1,488
Net assets released from restrictions	306,496	(306,496)	-	-
	<u>1,080,499</u>	<u>330,746</u>	<u>1,411,245</u>	<u>921,336</u>
Total Support and Revenue	\$ 1,080,499	\$ 330,746	\$ 1,411,245	\$ 921,336
Expenses				
Program Services	\$ 742,597	\$ -	\$ 742,597	\$ 591,556
Supporting Services				
Management and general	112,870	-	112,870	104,057
Fundraising	155,311	-	155,311	130,998
	<u>1,010,778</u>	<u>-</u>	<u>1,010,778</u>	<u>826,611</u>
Total Expenses	\$ 1,010,778	\$ -	\$ 1,010,778	\$ 826,611
Change in net assets	\$ 69,721	\$ 330,746	\$ 400,467	\$ 94,725
Net assets as of beginning of year	<u>245,086</u>	<u>129,920</u>	<u>375,006</u>	<u>280,281</u>
Net assets as of end of year	<u>314,807</u>	<u>460,666</u>	<u>775,473</u>	<u>375,006</u>

See accompanying notes and accountants' report

WHOLESOME WAVE GEORGIA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase (Decrease) in net assets	\$ 400,467	\$ 94,725
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	485	1,054
Paycheck Protection Program loan forgiveness	(148,912)	-
Decrease (increase) in:		
Receivables	(127,677)	(99,349)
Prepaid expenses	1,195	857
Promises to give	-	67,048
Increase (decrease) in:		
Accounts payable	3,871	24,251
Accrued expenses	(6,144)	5,818
Prepaid partner market contributions	-	(750)
Net Cash Provided (Used) by Operating Activities	<u>123,285</u>	<u>93,654</u>
Cash Flows From Investing Activities		
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Loan Proceeds	<u>72,722</u>	<u>76,190</u>
Net Cash Provided (Used) By Financing Activities	<u>72,722</u>	<u>76,190</u>
Net increase (decrease) in cash and cash equivalents	196,007	169,844
Cash and cash equivalents as of beginning of year	<u>382,788</u>	<u>212,944</u>
Cash and cash equivalents as of end of year	<u><u>\$ 578,795</u></u>	<u><u>\$ 382,788</u></u>
Supplemental Cash Flow Information:		
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, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bad debt	\$ 2,088	\$ -	\$ -	\$ 2,088
Bank fees	138	895	1,949	2,982
Depreciation	-	485	-	485
Dues and subscriptions	1,876	470	207	2,553
Employee benefits	19,025	144	9,962	29,131
Event expenses	6,494	-	6,683	13,177
Food incentives	347,236	-	-	347,236
Gifts	4,500	256	-	4,756
Insurance	-	5,265	-	5,265
Janitorial services	-	16	-	16
Marketing	4,459	-	511	4,970
Meeting expense	-	7,526	95	7,621
Merchandise expense	5,524	-	3,221	8,745
Office supplies	3,524	1,864	180	5,568
Outside services	13,926	14,302	14,175	42,403
Partner market scholarships	22,500	-	-	22,500
Payroll tax expense	18,189	5,492	3,944	27,625
Postage	566	656	78	1,300
Printing	8,929	4,741	5,539	19,209
Professional development	-	1,745	-	1,745
Professional fees	15,698	855	59,552	76,105
Rent	26,683	9,081	-	35,764
Salaries and wages	232,801	55,860	48,394	337,055
Supplies	1,158	-	-	1,158
Telephone	4,698	2,963	-	7,661
Travel expenses	2,045	254	202	2,501
Website expenses	540	-	619	1,159
Total expenses	\$ <u>742,597</u>	\$ <u>112,870</u>	\$ <u>155,311</u>	\$ <u>1,010,778</u>

See accompanying notes and accountants' report

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

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
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.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, the Organization's Georgia Fresh for Less program increased its community partnerships to 78 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers compared to 72 farmers markets, farm stands, mobile markets, and brick-and-mortar retailers for the year ended December 31, 2020. For the year ended December 31, 2021, the Organization matched \$268,050 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, 2021, the Organization enrolled 129 program participants in the Georgia Food for Health program compared to 133 program participants enrolled in the program for the year ended December 31, 2020.

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.

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.

See accompanying accountants' report

WHOLESOME WAVE GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2020 or December 31, 2021.

Donations of noncash items used in programs are recorded as contributions at their estimated fair value. During the years ended December 31, 2020 and December 31, 2021, 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.

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 \$485 for the year ended December 31, 2021.

See accompanying accountants' report

WHOLESOME WAVE GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2021, the date of the most recent statement of financial position, have been evaluated for possible adjustments to financial statements or disclosure is February 9, 2023, which is the date on which the financial statements were available to be issued.

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, 2020, the account balance did not exceed federally insured limits. As of December 31, 2021, the account balance exceeded federally insured limits by \$209,128.

NOTE 3 – NOTE PAYABLE – PAYCHECK PROTECTION PROGRAM

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

On March 16, 2021, Wholesome Wave Georgia, Inc. received an additional \$72,722 through the Paycheck Protection Program with an interest rate of 1%. The balance and accrued interest were forgiven on November 5, 2021 by the Small Business Administration.

See accompanying accountants' report

WHOLESOME WAVE GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 – COMMITMENTS

The Organization rents office space. The Organization entered into a lease on April 1, 2019. The lease expires on June 30, 2024 with monthly rate changes beginning each July 1. The monthly lease payments for years ended December 31, 2020 and 2021 are as follows:

<u>Period</u>	<u>Base Rent</u>
07/01/2019 - 06/30/2020	\$2,836
07/01/2020 - 06/30/2021	\$2,925
07/01/2021 - 06/30/2022	\$3,008

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

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

NOTE 5 – 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. Board designated net assets are reported as without donor restriction net assets. The balance remained unchanged as of December 31, 2020. As of December 31, 2021 the Organization no longer has board designated net assets.

NOTE 6 – 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, 2020	\$	129,920
Restricted donations received in 2021		637,242
Satisfaction of program restrictions		(306,496)
Net increase in restricted assets		<u>330,746</u>
With donor restriction net assets as of December 31, 2021	\$	<u><u>460,666</u></u>

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

	<u>2021</u>	<u>2020</u>
Georgia Fresh for Less Program	\$ -	\$ 129,920
Fulton County Urban Farm Infrastructure Grant Program	319,749	-
SNAP Connection Outreach Program	135,917	-
2022 Southern Chef's Potluck	5,000	-
	<u>\$ 460,666</u>	<u>\$ 129,920</u>

See accompanying accountants' report