



# Annual Summary Report 2021 - 2022



# Annual Summary Report | 2021 - 2022



Serving Calhoun, Chattahoochee, Clay, Dougherty, Harris, Lee, Marion, Meriwether,  
Muscogee, Quitman, Randolph, Schley, Stewart, Talbot, Terrell, Troup,  
Webster counties in Georgia and Russell County in Alabama.

## OUR MISSION AND VALUES

The heart of our mission is to gather food and feed hungry people with a spirit of  
compassion, good stewardship, dedication, urgency, and inclusiveness.



6744 Flat Rock Road, Midland, GA 31820 | P.O. Box 8904, Columbus, GA 31908 | 706-561-4755

**[Feedingthevalley.org](https://Feedingthevalley.org)**



*"Dedicate yourself to what gives your life true meaning and purpose; make a positive difference in someone's life."*

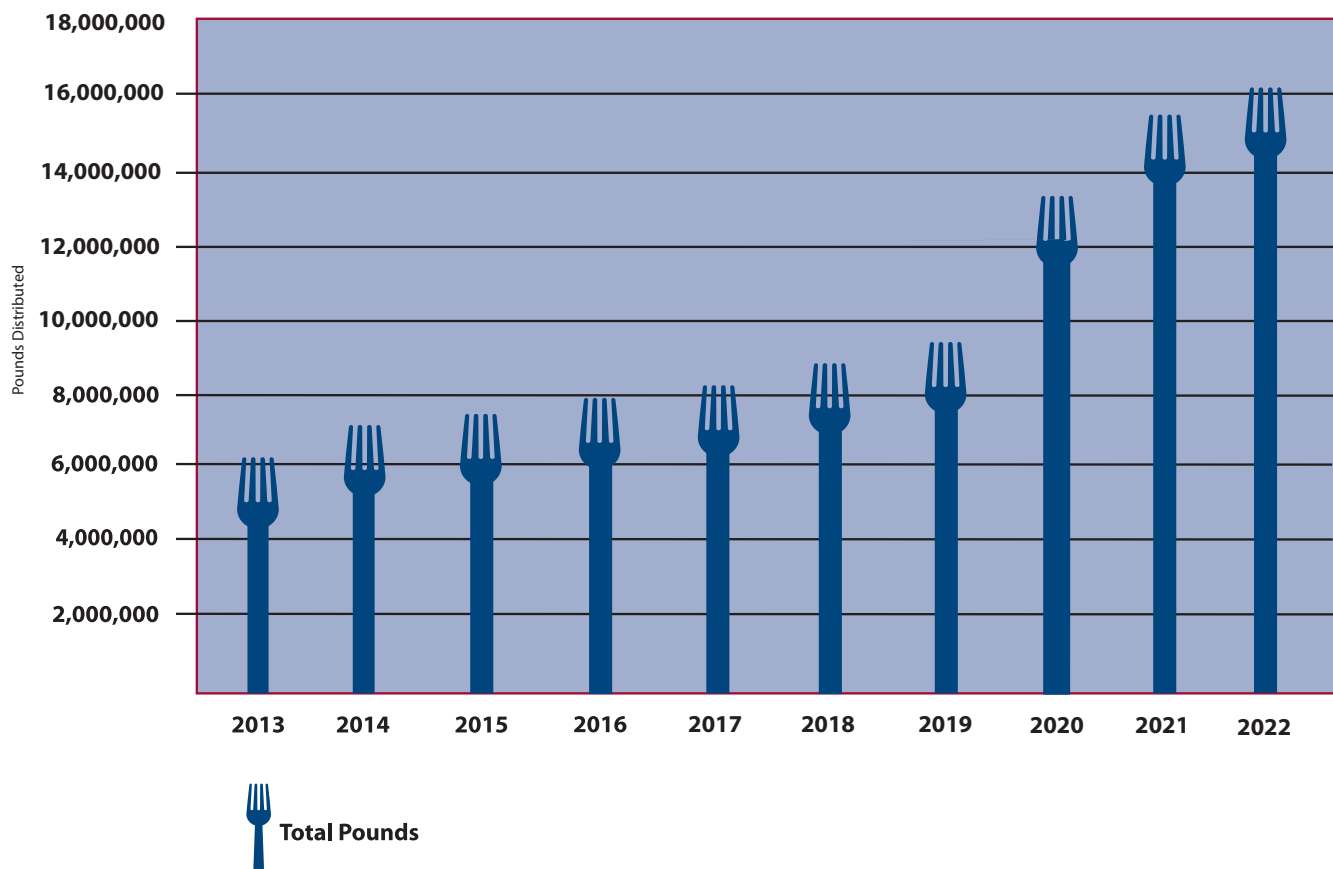
– Roy T. Bennett

These words perfectly describe the passion and mindset of the Feeding the Valley team as we have completed another challenging year. Dedication, passion, and making a positive difference are part of our DNA.

It is not a surprise that 85% of U.S. food banks have seen an increase in demand for assistance and the same is true for Feeding the Valley. The challenges we faced this year were caused by the aftermath of the pandemic and include an economic crisis, food shortages, and pipeline problems. The current economic environment we are experiencing has affected everyone and it is daunting. Grocery prices have increased 24% since January 2020.

COVID and the pandemic have exposed even more disparities than any of us realized. Nothing has changed with the slowdown of the pandemic. The economic challenges that families are facing now are having just as great of an impact on our services. This is apparent in our higher distribution numbers and the different demographics we are seeing. We experienced a 53% increase in demand for our services at the height of the pandemic and that has leveled off to a 35% increase at the current time. In the past 12 months, we distributed more than 16 million pounds of food, which will provide more than 13 million meals to the families we serve.

FISCAL YEAR DISTRIBUTION GROWTH



## It is only because of YOU.

Our Partner Agencies often tell us that they are serving 50% more new clients. Clients who have never needed food assistance before. Clients who have multiple jobs and still cannot make ends meet.

Families living in our rural counties where there are no grocery stores or emergency food pantries have been impacted even more.

It is only because of **YOU**, our donors, partner agencies, volunteers, and the Feeding the Valley team, that we distributed more than 16 million pounds of food to families in our 18-county service area. And we recognize that we need to do more.

On the positive side, it was a good year with exciting news. We are undertaking two expansion projects at one time.





*"Feeding the Valley has made a tremendous impact in our community. We have high food insecurity in Southwest Georgia, and at the Hope Center, we are able to distribute and deliver food to families in need. We also are able to provide fresh fruits and vegetables to the community, so people can eat well and be healthy."*

– Ken Bevel, Sherwood Baptist Church, Albany, GA

## Albany Expansion Plans

In 2019, we were asked by Feeding America to expand into four additional counties in southwest Georgia (Calhoun, Dougherty, Lee, and Terrell counties where the food insecurity rate is as high as 28%), making our footprint 18 counties.

In late 2020, we learned that we were one of 384 nonprofit organizations in the U.S. and one of two Georgia food banks to receive a generous one-time, unrestricted grant from a national philanthropic foundation. This wonderful gift enabled us to invest in our Albany operations.

In 2021, we were able to purchase a warehouse in Albany which gives us a permanent presence in this community. All we need to add are cold and frozen storage units and make some minor remodeling changes. This warehouse will then provide:

- 35,018 sq. ft. with 28 ft. ceilings in warehouse space that will allow a five-level racking system to provide a storage capacity of more than 3 million pounds of food product.
- Refrigeration and freezer space for more than 300 pallet spots that will allow us to store more fresh produce and meats
- A volunteer center to pack boxes
- Plenty of parking for Partner Agencies and volunteers



## Coming Soon! Expanding our Midland Operations

The pandemic exposed greater need in our service area and we have to take a different approach to how we distribute food and our meals. To do this, we have to grow and increase our capacity to serve more underserved families, especially in our rural counties.

Our Midland warehouse, built in 2017 is the central hub for all of our operations and was built with expansion in the plans. We will be able to increase our cold and frozen storage exponentially, add an air-conditioned volunteer center, and increase our parking availability.

### Facts about the Midland Expansion:

- Additional 2.75 acres (purchased in 2020)
- Additional 24,000 sq. ft.
- Increase in sq. footage 75% increase
- With a 100% increase in dry storage which equates to 1,000 additional pallet spaces, we can store an additional 2 million pounds of food, which positions us to meet our 5-year goal of growing from 16 million pounds of annual distribution to 23 million pounds.
- Cold storage will increase 50% and will allow us to distribute over 500,000 additional pounds of lean meats and fresh produce.
- The new air-conditioned volunteer center will be 50% larger in size and have state-of-the-art equipment.
- The new volunteer center will have its own separate parking area providing a safer environment away from truck traffic and material handling equipment.





## Serving More Families in Rural Georgia

Both of these expansion plans, plus our warehouse in LaGrange will give us a total of 120,000 square feet of capacity and will allow us to provide more food assistance in our footprint, including our rural counties, where families face hunger at a higher rate. Currently, six of the counties we serve (Stewart, Randolph, Dougherty, Terrell, Calhoun, and Clay) are in the top ten counties with the highest food insecurity rates in the state. We are confident that these expansion projects will enable us to provide more food in these counties and with the addition of new automated equipment for our kitchen, we will also be able to provide prepared frozen meals to our rural neighbors.

## Grant Opportunities

Both of our expansion plans have received support from the state of Georgia through generous grants.

In 2021, Governor Kemp reallocated unused funds from the American Rescue Plan and the CARES Act to support capital projects for Georgia food banks. These funds are the seed money for the expansion project, which will double our capacity at this site.

This grant will pay for 75% of the project. With lead gifts from several foundations, more than \$5 million of the total \$5.7 million project cost has been raised.

## Meals to Go!

In one of our COVID re-adjustments, we had to change our Kids Café meals from congregate serving style to an individually packaged meal. Through some grant funding we purchased a meal sealer line and a flash freezer. Of course, this new method increases expenses because of the additional supplies it requires, but we have had such positive success that we purchased a second meal sealer with two lines. This will allow us to increase our Kids Café and Senior Meals capacity, freeze them and deliver them in bulk quantities out in our rural areas. It's a win-win!

*"We have a vital partnership with Feeding the Valley. Our after-school students and summer camp students receive a hot, nutritious meal every day through Feeding the Valley's Kids Café Program. For some students, this is their only afternoon meal."*

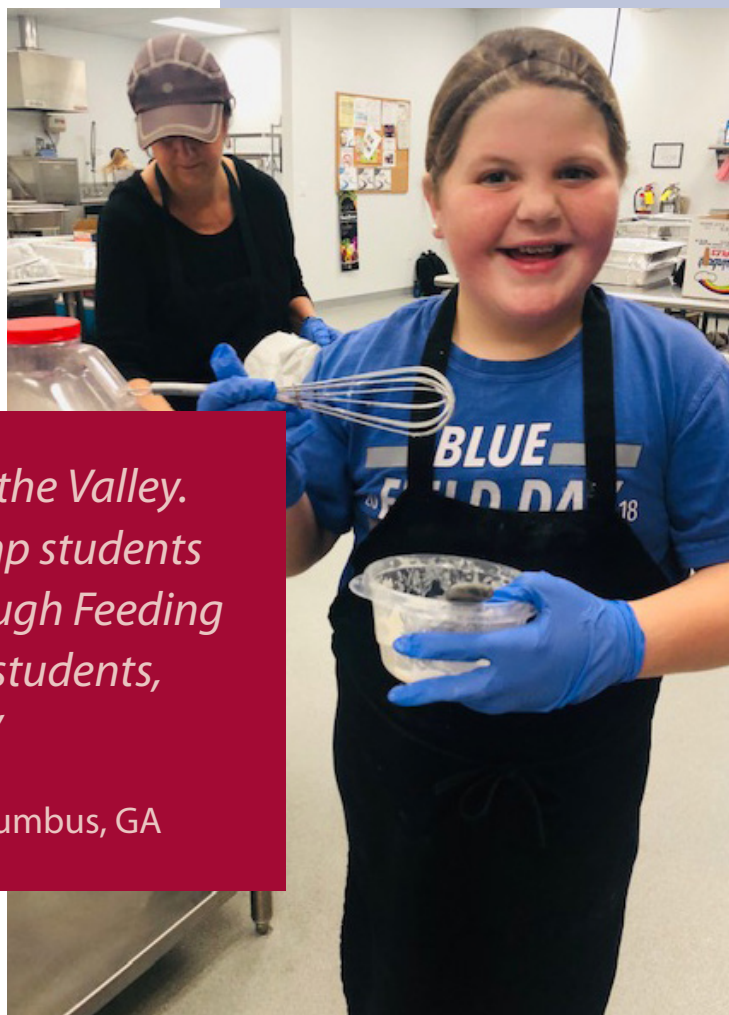
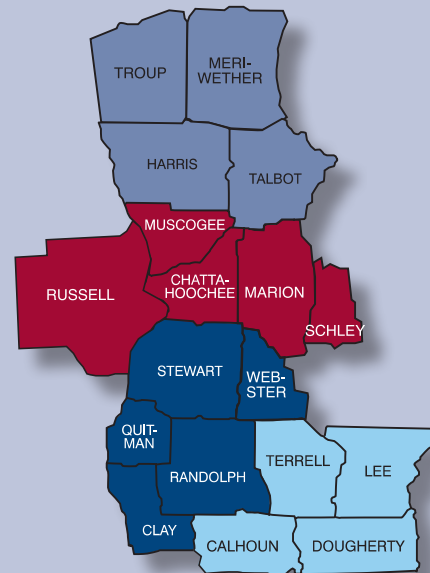
– Cathy Horne, Open Door Community House, Columbus, GA

### Central and Southwest Georgia Counties

Calhoun, Chattahoochee, Clay, Dougherty, Harris, Lee, Marion, Meriwether, Muscogee, Quitman, Randolph, Schley, Stewart, Talbot, Troup, Terrell and Webster

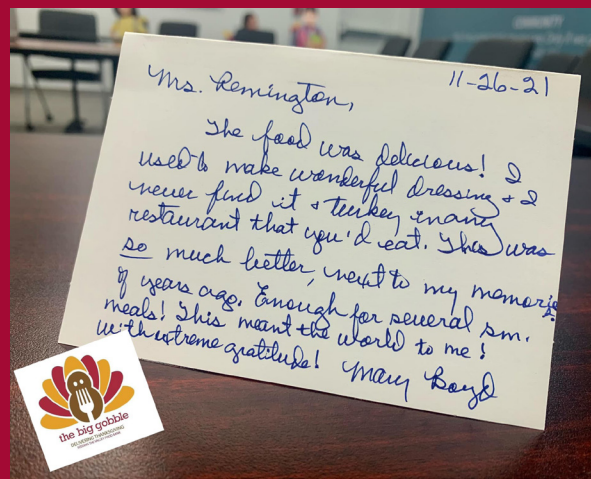
### Alabama County

Russell County



## We're celebrating once again.

Since 2020, all of our events were paused. We have gradually started them again and celebrated our **Big Gobble for Thanksgiving 2021**. With the help of volunteers, we were able to deliver more than 1,500 hot, turkey meals to elderly, homebound, and disabled individuals and families on Thanksgiving Day. We hope that we can provide more meals next year and continue to build this community outreach program.



### Honk if you love cars!

On an unusually bitter cold day in March, we held our **Driven to End Hunger Car Show**. The weather didn't stop car enthusiasts and the event was well attended considering we even saw snow flurries in Georgia! As an awareness event, this show draws a lot of people from the community and allows them to see our warehouse, take tours, and learn more about our mission.

### Nourishing Hope in Albany

Later in March, we celebrated our new Albany warehouse with the community and enjoyed a wonderful luncheon. We were honored to have Feeding America CEO Claire Babineaux-Fontenot celebrate with us and be our guest speaker. She shared strong messages of collaboration, having a united purpose, and serving families by ensuring that there is healthy, nutritious food on everyone's table. Even though we were not totally operational yet, we cut the symbolic ribbon to commemorate the day.

We are grateful for the trust the Albany community has shown us and we are committed to doing our very best to assist and serve those that need our help.



Frank Sheppard, Ga. State Senator Freddie Powell-Sims, Clair Babineaux-Fontenot and Ga. State Representative Gerald Greene



### Let's RUN!

After two years of a virtual 5K Run, **OutRun Hunger** was back in person and we were delighted to see 100 runners participate in the event. This was a clear sign that the community was ready to get out and become involved in our cause again.



FEEDING THE VALLEY  
FOOD BANK

### We're Stamping Out Hunger.

The **National Letter Carrier's Stamp Out Hunger Food Drive** was back after a two-year hiatus, and it was a record-breaker for us. More than 100,000 lbs. of food donations were received from the communities we serve and helped us get through the summer months.



It felt good to be back and see old friends that have supported us in the past and we look forward to more events next year.

**They are One of a Kind!** Our volunteers have been with us every step of the way! They are the backbone of our mission and we cherish our relationships with them. They gifted us with 22,000 hours of service in the last year and we are grateful for them.

*"Our relationship with Feeding the Valley is rock solid. We need them to provide the food for our hundreds of volunteers to distribute at the monthly Mobile Pantries. This relationship allows us to help diminish food insecurity in our community."*

– Carla Clay, The Community Warriors

None of this remarkable work and fun would be possible without the support of our food and financial donors, our passionate Partner Agencies, committed volunteers, and the hard-working, loyal Feeding the Valley team. We are grateful for your trust and for allowing us to serve families and bring hope to their table.

**Thank you for helping Feeding the Valley  
make a positive difference in someone's life.**





## **Member of Feeding America 2022 Annual Summary Report**

Alston Auten, Board Chair

Greg Auten, Treasurer

Brad Botkin

Angela Drakeford

Jim Evans

Donovan Granville

Sabrina Latham

Marvin B. Laster

David Payne

Teddie Ussery

Ashley Valentini

Tom Waynick, Secretary

Bala Yadlapalli

Donna Yeiser

### **2022 Feeding the Valley Staff**

Frank Sheppard, President & CEO

Steve Watson, Director of Operations

David Shemwell, Program Administrator

Michelle Henry, Agency Relations

Margalena Remington, Food Sourcing Manager

Tammy Wilson, Warehouse Coordinator

Carleen Frokjer, Fund Development & Community Outreach

Shelby Williams, Business Manager & Volunteer Coordinator





**Member of Feeding America  
2021 - 2022 Summary Annual Report**

## **Our Programs**

### ***Family Food Distribution through our Partner Agencies***

The core program of our operation is partnering with more than 350 member agencies that extend outreach throughout our 18-county service area. These partner agencies include soup kitchens, food pantries, senior and youth centers, shelters, churches, and non-profit organizations that provide food assistance. In 2021, we distributed more than 16 million pounds of food through this delivery channel.

### ***Mobile Pantry Program***

This program is rapidly becoming the primary method for distributing half of our food throughout our rural areas and provides direct distribution to families in need in locations where there is limited access to emergency food pantries. Food boxes, hand-packed by volunteers include staple food items along with fresh produce, frozen meat, dairy, and bakery products. More than **9.2 million lbs.** of food is distributed through this program at 48 sites in our service area.

### ***Kids Café Program***

This program provides after-school meals in a safe environment. Nutritious meals are prepared in a commercial kitchen at the central warehouse and delivered to 11 locations throughout Columbus, Ga. and Phenix City, Ala. Working with the Housing Authority and local non-profit after-school programs, more than **531,000** meals, summer meals, and snacks were provided in the year.

### ***Weekend Buddy Pack Program***

This program serves children who will likely experience hunger during the weekend when free breakfasts and lunches are not available. Children are identified by the school and their privacy is protected. Partner agencies, who pack the backpacks with nutritious, kid-friendly food for distribution by the school, can sponsor a Buddy Pack for approximately \$4.00 per student per week. In the last school year, more than **40,000** Buddy Packs were delivered to schools for students to take home for the weekend.

### ***Senior Meals Program***

More than **14,000** senior meals were prepared for homebound seniors.



## Food Distribution by County

### July 2021 - June 2022

Calhoun	320,540
Chattahoochee	221,367
Clay	236,458
Dougherty	2,569,444
Harris	618,795
Lee	664,051
Marion	405,740
Meriwether	473,895
Muscogee	5,436,978
Quitman	258,214
Randolph	493,901
Russell	799,861
Schley	192,632
Stewart	234,943
Talbot	447,387
Terrell	352,467
Troup	2,050,998
Webster	305,253
<b>Total Distribution</b>	<b>16,082,924</b>



Feeding the Valley, Inc.  
Columbus, Georgia  
Financial Statements and Supplemental Information  
June 30, 2022

## Table of Contents

Independent Auditor's Report	Page 1-3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
Supplemental Information	
Schedule of Program and Supporting Services Expenses	14
Schedule of State Contractual Assistance	15





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Feeding the Valley, Inc.

### Opinion

We have audited the accompanying financial statements of Feeding the Valley, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities 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 Feeding the Valley, Inc. as of June 30, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Feeding the Valley, 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 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 Feeding the Valley, 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.

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

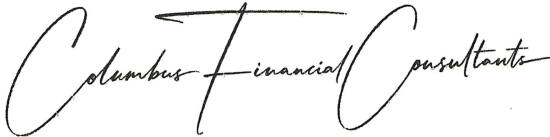
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Feeding the Valley, 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 Feeding the Valley, Inc.'s ability to continue as a going concern for a reasonable period of time.

## **Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 14-15 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and



other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Columbus Financial Consultants". The signature is written in a fluid, connected style with a large initial 'C'.

Columbus, Georgia

December 27, 2022

Feeding the Valley, Inc.  
Statement of Financial Position  
Year End June 30, 2022

Assets

Current Assets

Cash and cash equivalents	\$ 3,154,301
Accounts receivable	719,826
Unconditional promises to give (net of allowance for uncollectible promises)	1,064,506
Inventory-donated	1,140,167
Inventory-purchased	259,615
Inventory-USDA	974,301
Total current assets	<u>7,312,716</u>

Fixed Assets (net of accumulated depreciation)	<u>9,163,859</u>
--	------------------

Total assets	<u><u>\$ 16,476,575</u></u>
--------------	-----------------------------

Liabilities and Net Assets

Liabilities

Current Liabilities

Accounts payable	\$ 151,281
Accrued taxes other than income	28,002
Due to member agencies	2,025,765
Total current liabilities	<u>2,205,048</u>

Total liabilities	<u>2,205,048</u>
-------------------	------------------

Net Assets

With donor restrictions	589,617
Without donor restrictions	13,681,910
Total net assets	<u>14,271,527</u>

Total liabilities and net assets	<u><u>\$ 16,476,575</u></u>
----------------------------------	-----------------------------

Feeding the Valley, Inc.  
Statement of Activities  
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue, and Reclassifications			
Public Support			
United Way		\$ 389,000	\$ 389,000
State Nutrition Assistance Program		1,191,534	1,191,534
Federal grants		451,696	451,696
Grants		1,219,578	1,219,578
Contributions	\$ 694,947	1,614,528	2,309,475
Donated goods	16,195,014		16,195,014
Special events		22,723	22,723
Other income	1,505		1,505
Total public support	<u>16,891,466</u>	<u>4,889,059</u>	<u>21,780,525</u>
Revenue			
Shared maintenance (membership fees)	<u>590,040</u>		<u>590,040</u>
Total revenue	<u>590,040</u>		<u>590,040</u>
Net assets released from:			
Purpose restrictions	4,210,568	(4,210,568)	
Time restrictions	<u>389,000</u>	<u>(389,000)</u>	
Total reclassifications	<u>4,599,568</u>	<u>(4,599,568)</u>	
Total support, revenue, and reclassifications	<u>22,081,074</u>	<u>289,491</u>	<u>22,370,565</u>
Expenses			
Program services	20,460,157		20,460,157
Supporting services			
General and administrative	237,159		237,159
Fundraising	<u>132,562</u>	<u>64,874</u>	<u>197,436</u>
Total expenses	<u>20,829,878</u>	<u>64,874</u>	<u>20,894,752</u>
Increase (decrease) in net assets	1,251,196	224,617	1,475,813
Net Assets, June 30, 2021	<u>12,430,714</u>	<u>365,000</u>	<u>12,795,714</u>
Net assets, June 30, 2022	<u>\$ 13,681,910</u>	<u>\$ 589,617</u>	<u>\$ 14,271,527</u>

See accompanying notes.  
Page 5



Feeding the Valley, Inc.  
Statement of Cash Flows  
Year Ended June 30, 2022

Cash flows from operating activities:	
Increase (decrease) in net assets	<u>\$ 1,475,813</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	390,375
(Increase) decrease in accounts receivable	(73,639)
(Increase) decrease in unconditional promises to give (net of allowance for uncollectible promises)	(1,064,506)
(Increase) decrease in inventory	2,391,885
Increase (decrease) in accounts payable	151,281
Increase (decrease) in accrued taxes other than income	4,441
Increase (decrease) in dues to member agencies	(2,110,385)
Total adjustments	<u>(310,548)</u>
Net cash provided (used) by operating activities	<u>1,165,265</u>
Cash flow from investing activities:	
Acquisition of fixed assets	<u>(1,500,324)</u>
Net cash provided (used) by investing activities	<u>(1,500,324)</u>
Cash flows from financing activities:	
Net cash provided (used) by financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(335,059)
Cash and cash equivalents, beginning of year	<u>3,489,360</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,154,301</u></u>
Supplemental disclosures	
Interest paid	752

Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Note A: Nature of Activities

Feeding the Valley, Inc. (the "Food Bank") is a not-for-profit, tax-exempt organization established to provide food assistance to other not-for-profit agencies serving food insecure individuals and families in the Chattahoochee Valley. The Food Bank solicits surplus food as well as purchases food under the Georgia Nutrition Assistance Program (GNAP) and serves as an agent by distributing the food to its member agencies. The member agencies contribute a membership fee (shared maintenance) to support the operations of the Food Bank. The Food Bank extends credit to these agencies which are primarily located in the Chattahoochee Valley area.

Note B: Summary of Significant Accounting Policies

Basis of Accounting and use of estimates - the financial statements of the Food Bank have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Basis of Presentation - financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958, the Food Bank is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and restricted net assets. As permitted by the statement, the Food Bank does not use fund accounting.

Without Donor Restrictions - Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

With Donor Restrictions - Restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Food Bank pursuant to those stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Use of Estimates - the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures. Accordingly, actual results could differ from those estimates.

Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Donated inventory - the Food Bank reports the fair value of donated food over which it has control (i.e., variance power) as public support, without donor restrictions, and immediately thereafter, as expense when donated to the network. Other donated goods and services meeting recognition criteria under U.S. GAAP are also recorded as public support and as expense, based on estimated fair values. The Food Bank did not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

Purchased inventory - at June 30, 2022, purchased inventory consists of food acquired through the Georgia Nutrition Assistance Program and is valued at its original purchase price.

Property and Equipment - the Food Bank capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Food Bank reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which is generally five to forty years.

Contributions - contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restraints.

Contributed Services - no amounts have been reflected in the financial statements for donated services. The Food Bank generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that contribute significantly to the Food Bank. The services provided do not meet the criteria for recognition and, therefore, are not reflected in these financial statements.

Income Taxes - the Food Bank is a not-for-profit organization that is exempt from federal and state income taxes under Code Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, the Food Bank does not record a provision for income taxes on its related earnings. The Food Bank's open tax periods are the years ended on or after June 30, 2018.



Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Cash and Cash Equivalents - the Food Bank considers all highly liquid investments available for current use with an initial maturity of three months or less to be considered cash equivalents. Cash is composed of available cash balances. The Food Bank maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Food Bank has not experienced any losses in such accounts and management believes that the Food Bank is not exposed to any significant credit risk on cash.

Accounts Receivable – Accounts receivable consist primarily of shared maintenance fees charged to member agencies, United Way and the Georgia Nutrition Assistance Program. Bad debts are accounted for based on experience and current evaluation of accounts and are written off when the Food Bank determines the payments will not be received.

Fundraising Expenses – Fundraising expenses are expensed as incurred. Revenue from fundraising events is recognized in the period in which the event takes place.

Allocation of Expenses – The costs of providing the Food Bank's program services and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated based on management's estimate of time spent by the individuals in each functional category as well as each department's allocation of expenses.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Pending accounting pronouncement - In 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for the Food Bank's fiscal year 2023 financial statements. Early adoption is permitted. The Food Bank is currently evaluating the impact of adoption of the standard on the financial statements.

Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Note C: Receivables

Receivables are due from the following:

United Way	\$ 389,000
Georgia Department of Human Resources, Division of Family & Children Services	139,167
Georgia Nutrition Assistance Program	<u>191,659</u>
Total receivables	<u>\$ 719,826</u>

Note D: Promises to Give

Unconditional Promises to Give total \$1,064,506. Since the full amount is expected to be received in the subsequent year, there is no unamortized discount or allowance for uncollectible promises recorded on the financial statements.

The Food Bank had a conditional promise to give of \$350,000 at June 30, 2022, representing a completion challenge grant from an anonymous community foundation. The grant will be paid in full upon the Food Bank meeting a private monetary philanthropic goal by the end of January 2024.

Note E: Fixed Assets

Property and equipment at June 30, 2022 consisted of the following:

Land	\$ 753,940
Automobiles	1,049,446
Buildings	3,421,924
Computers	47,390
Improvements	7,368
Furniture and fixtures	300,407
Equipment	1,390,355
CIP	<u>3,996,143</u>
	10,966,973
Less: accumulated depreciation	<u>(1,803,114)</u>
Total	<u>\$ 9,163,859</u>

Note F: Due to Member Agencies

Due to member agencies represents the value of donated inventory at year-end that the Food Bank is holding in an agent capacity for the benefit of its member agencies. At June 30, 2022, the Food Bank had approximately 593,837 pounds of donated inventory.

Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Note G: Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the United Way allocation in the amount of \$389,000 and a Capital contribution of \$200,617. The United Way allocation is a time restriction because it is to be used for expenses for the year ended June 30, 2022. Capital Campaign contributions are restricted for the acquisition and renovation of facilities.

The current Capital Campaign projects include an expansion of the Columbus campus and renovation of the Albany facility that was acquired during the previous audit period. During the year ended 6/30/2021, the Food Bank acquired the new Albany facility for \$2,313,000 and purchased 2.75 acres of land adjacent to the existing Columbus property for \$276,600. Currently, a construction project is underway in Albany, Georgia. The additional amount expended through 6/30/2022 is \$1,617,960 and the total is recorded in CIP. The Food Bank anticipates opening the Albany facility by March 1, 2023.

Note H: Credit Risk

At June 30, 2022 the Food Bank had an uninsured bank balance of \$2,904,606.

Note I: Georgia Nutrition Assistance Program

During the year ended June 30, 2022, the Food Bank received funds totaling \$1,191,534 for the purchase of food inventories under the Georgia Nutrition Assistance Program. The Georgia Nutrition Assistance Program is funded with federal monies from the Temporary Assistance for Needy Families program which is designed to serve low income families with children. These funds passed through the Georgia Department of Human Resources and the Atlanta Community Food Bank to Feeding the Valley, Inc.

Note J: Retirement Plan

The Food Bank maintains a tax sheltered annuity program for its full time or benefits eligible employees. Each employee must elect to be in the program. Plan expense for the year ended June 30, 2022 was \$40,489.

Note K: Fair Value Disclosures

The Food Bank's investments and donated commodities are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Food Bank believes its valuation methods are 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.



Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

The following table sets forth by level, within the fair value hierarchy, the Food Bank's assets at fair value as of June 30, 2022:

Assets at Fair Value as of June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Unconditional Promises to Give	\$1,064,506	\$ - 0 -	\$ - 0 -	\$1,064,506
Donated Inventory	\$ - 0 -	\$ - 0 -	<u>1,140,167</u>	<u>1,140,167</u>
Total Assets at fair value	<u>\$1,064,506</u>	<u>\$ - 0 -</u>	<u>\$1,140,167</u>	<u>\$2,204,673</u>

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Food Bank uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. The Food Bank measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No level 2 inputs were available to the Food Bank, and Level 3 inputs were only used when Level 1 and Level 2 inputs were not available.

When estimating the fair value of unconditional promises to give, management considers the relationship with the donor, the donor's past history of making timely payments, and the donor's overall creditworthiness, as well as, general economic conditions in the area, and incorporates those items into a fair value measurement computed using present value techniques. The interest element resulting from amortization of the discount for the time value of money, computed using the effective interest rate method, is reported as contribution revenue.

Donated inventory value was determined based upon the pounds received as of calendar year end 2021 and 2020 and studies performed by Feeding America. Each of the annual studies involves a review of 31 product categories and wholesale prices using a national wholesaler's pricing catalogs. Other independent sources may also be used as necessary for items not included in the catalogs. The average value of one pound of donated product will vary from year-to-year based on the mix of product items donated and the current value of the product. As part of the study, Feeding America analyzes and reviews the results to determine the accuracy and understand the key components of the valuation and the year-over-year changes.

The policy of the Food Bank is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

Feeding the Valley  
Notes to Financial Statements  
Year Ended June 30, 2022

Note L: Donated Inventory

Donated inventory for the fiscal year ended June 30, 2022 is summarized below:

	<u>Amount</u>
Balance, beginning of year	\$1,137,762
Total receipts	16,195,014
Total distributions	<u>(16,192,609)</u>
Balance, end of year	<u>\$1,140,167</u>

Donated inventory consists of food which includes the following main categories: proteins, produce, dairy, bread and beverages as well as a minimal amount of essential household and personal products.

During the fiscal year ended June 30, 2022, the Food Bank donated 9,047,494 pounds of food product to its network members. The food product was donated to the Food Bank by local and national donors. The donated food is recorded in the financial statements as public support and as expense at the estimated average fair value of one pound of donated food product at the national level of \$1.92.

Note M: Evaluation of Subsequent Events

The Food Bank has evaluated subsequent events through December 27, 2022, the date which the financial statements were available to be issued. Subsequent to the audit period end, the unconditional promise to give of \$1,064,506 was received. Additionally, \$509,835 has been expended on the Albany project bringing the total Albany CIP to \$4,440,795. As of the report date, the challenge grant has not been received.

Feeding the Valley, Inc.  
Schedule of Program and Supporting Services Expenses  
Year Ended June 30, 2022

Program Services expense	
Advertising	\$ 35,959
Conference and meetings	11,844
Depreciation and amortization expense	436,287
Donated goods distributed	16,192,609
Dues and memberships	41,697
Employee benefits	161,275
Insurance	106,019
Interest expense	752
Miscellaneous	17,475
Outreach expense	15,000
Payroll taxes	83,727
Postage and shipping	3,697
Professional fees	13,025
Printing and publications	1,321
Purchased food distributed	1,359,081
Rental equipment and maintenance	234,347
Rental warehouses	201,665
Salaries	955,545
Supplies	284,869
Telecommunications	20,410
Travel	116,818
Utilities	166,735
	<hr/>
Total Program Services Expense	<u><u>\$ 20,460,157</u></u>
Supporting Services Expense	
Salaries	\$ 218,027
Payroll taxes	19,132
	<hr/>
Total Supporting Services Expense	<u><u>\$ 237,159</u></u>
Fundraising Expense	<u><u>\$ 197,436</u></u>
Total Expenses	<u><u>\$ 20,894,752</u></u>



Feeding the Valley, Inc.  
Schedule of State Contractual Assistance  
Year Ended June 30, 2022

	Contract Number	Revenue	Expenditures	Due (To) From State
Passed through the Georgia Department of Human Resources, Division of Family and Children Services				
TEFAP, Food Storage and Distribution	42700-040-0000032484	\$451,696	\$451,696	\$0