

FOOD BANK OF ALASKA, INC.

Financial Statements, Supplementary
Information, and Compliance Reports

(With Independent Auditor's Report Thereon)

Years Ended June 30, 2023 and 2022

*Altman, Rogers
& Co.* | CERTIFIED
PUBLIC
ACCOUNTANTS

FOOD BANK OF ALASKA, INC.

Financial Statements, Supplementary
Information, and Compliance Reports

(With Independent Auditor's Report Thereon)

Years Ended June 30, 2023 and 2022

FOOD BANK OF ALASKA, INC.

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Independent Auditor's Report

Members of the Board of Directors
Food Bank of Alaska, Inc.
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Food Bank of Alaska, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, 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 Food Bank of Alaska, Inc. as of June 30, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards), issued by the Comptroller General of the United States. 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 Food Bank of Alaska, 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.

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 Food Bank of Alaska, 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 GAAS and Government 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 GAAS and Government 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 Food Bank of Alaska, 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 Food Bank of Alaska, 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.

Members of the Board of Directors
Food Bank of Alaska, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The “Supplementary Information” as presented in the Table of Contents which includes the accompanying schedule of expenditures of federal awards and related notes to schedule, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards 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 general accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relations to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the Food Bank of Alaska, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Food Bank of Alaska, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Food Bank of Alaska, Inc.’s internal control over financial reporting and compliance.



Anchorage, Alaska
March 25, 2024

FOOD BANK OF ALASKA, INC.

Statements of Financial Position

June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 4,354,785	4,548,121
Receivables:		
Accounts	168,666	173,580
Grants	459,519	304,322
Promises to give - current	7,526	66,447
Food inventory	1,492,878	1,453,488
Prepaid expenses	87,019	37,971
Total current assets	<u>6,570,393</u>	<u>6,583,929</u>
Non-current assets:		
Promises to give - non current	2,500	9,233
Property and equipment, net	15,065,885	11,469,923
Investments:		
Endowed	110,428	101,573
Non-endowed	113,356	106,285
Total non-current assets	<u>15,292,169</u>	<u>11,687,014</u>
Total assets	<u>\$ 21,862,562</u>	<u>18,270,943</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 52,138	72,191
Accrued payroll liabilities	218,126	180,704
Deferred revenue	4,044	-
Total current liabilities	<u>274,308</u>	<u>252,895</u>
Net assets:		
Net assets with donor restrictions	<u>492,066</u>	<u>515,691</u>
Net assets without donor restrictions:		
Designated for:		
Inventory	1,492,878	1,453,488
Property and equipment	15,065,885	11,469,923
Reserves	3,000,000	3,000,000
Endowment	110,428	101,573
Undesignated	1,426,997	1,477,373
Total net assets without donor restrictions	<u>21,096,188</u>	<u>17,502,357</u>
Total net assets	<u>21,588,254</u>	<u>18,018,048</u>
Total liabilities and net assets	<u>\$ 21,862,562</u>	<u>18,270,943</u>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Statements of Activities

Years Ended June 30, 2023 and 2022

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Public support and revenues:			
Public support:			
Value of donated food	\$ 10,646,401	-	10,646,401
Contributions and grants (non-govt.)	4,002,623	507,296	4,509,919
Government grants and contracts	6,471,996	-	6,471,996
In kind contributed non-financial assets	1,560,520	-	1,560,520
Total public support	<u>22,681,540</u>	<u>507,296</u>	<u>23,188,836</u>
Revenues:			
Fees and services	221,452	-	221,452
Interest and investments, net	153,402	-	153,402
Events	45,983	-	45,983
Gaming proceeds	43,154	-	43,154
Other revenue	50	-	50
Total revenues	<u>464,041</u>	<u>-</u>	<u>464,041</u>
Total public support and revenues before net assets released from donor restrictions	23,145,581	507,296	23,652,877
Net assets released from donor restrictions	530,921	(530,921)	-
Total public support and revenues	<u>23,676,502</u>	<u>(23,625)</u>	<u>23,652,877</u>
Expenses:			
Program activities	18,915,441	-	18,915,441
Supporting activities:			
Administration	958,647	-	958,647
Fundraising	208,583	-	208,583
Total expenses	<u>20,082,671</u>	<u>-</u>	<u>20,082,671</u>
Change in net assets	3,593,831	(23,625)	3,570,206
Net assets, beginning of year	<u>17,502,357</u>	<u>515,691</u>	<u>18,018,048</u>
Net assets, end of year	<u>\$ 21,096,188</u>	<u>492,066</u>	<u>21,588,254</u>

(Continued)

FOOD BANK OF ALASKA, INC.

Statements of Activities, Continued

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support:			
Value of donated food	\$ 12,134,767	-	12,134,767
Contributions and grants (non-govt.)	3,727,889	519,225	4,247,114
Government grants and contracts	1,174,194	-	1,174,194
In kind contributed non-financial assets	777,994	-	777,994
Total public support	<u>17,814,844</u>	<u>519,225</u>	<u>18,334,069</u>
Revenues:			
Fees and services	397,775	-	397,775
Interest and investments, net	(14,918)	-	(14,918)
Gain (loss) on disposal of assets	(7,012)	-	(7,012)
Gaming proceeds	45,011	-	45,011
Other revenue	5,583	-	5,583
Total revenues	<u>426,439</u>	<u>-</u>	<u>426,439</u>
Total public support and revenues before net assets released from donor restrictions	18,241,283	519,225	18,760,508
Net assets released from donor restrictions	<u>471,982</u>	<u>(471,982)</u>	<u>-</u>
Total public support and revenues	<u>18,713,265</u>	<u>47,243</u>	<u>18,760,508</u>
Expenses:			
Program activities	17,983,787	-	17,983,787
Supporting activities:			
Administration	769,116	-	769,116
Fundraising	186,488	-	186,488
Total expenses	<u>18,939,391</u>	<u>-</u>	<u>18,939,391</u>
Change in net assets	(226,126)	47,243	(178,883)
Net assets, beginning of year	<u>17,728,483</u>	<u>468,448</u>	<u>18,196,931</u>
Net assets, end of year	<u>\$ 17,502,357</u>	<u>515,691</u>	<u>18,018,048</u>

FOOD BANK OF ALASKA, INC.

Statements of Functional Expenses

Years Ended June 30, 2023 and 2022

Expense	2023				
	Program Activities	Supporting Activities		Total Supporting Activities	Total Program and Supporting Activities
		Fundraising	Administration		
Cash expenses:					
Salaries and benefits	\$ 2,043,127	69,127	727,815	796,942	2,840,069
Purchased food	2,381,846	-	-	-	2,381,846
Purchased freight	520,001	-	-	-	520,001
Professional fees/outside services	106,117	20,924	132,346	153,270	259,387
Operations and maintenance	420,392	8,018	27,914	35,932	456,324
Utilities and phone	163,744	10,341	8,806	19,147	182,891
Printing	4,973	7,512	133	7,645	12,618
Grants to other organizations	1,508,246	-	-	-	1,508,246
Dues and subscriptions	5,804	2,587	2,370	4,957	10,761
Travel and meetings	72,425	3,405	37,228	40,633	113,058
Supplies	11,866	11,942	6,797	18,739	30,605
Postage and direct mail	5,846	62,788	416	63,204	69,050
Other	-	-	(219)	(219)	(219)
Total cash expenses	<u>7,244,387</u>	<u>196,644</u>	<u>943,606</u>	<u>1,140,250</u>	<u>8,384,637</u>
Non-cash expenses:					
Depreciation	429,280	5,837	13,920	19,757	449,037
In-kind - contributed non-financial assets:					
Distribution of donated food	10,646,277	-	-	-	10,646,277
In-kind freight	538,508	-	-	-	538,508
In-kind goods and services	56,989	6,102	1,121	7,223	64,212
Total non-cash expenses	<u>11,671,054</u>	<u>11,939</u>	<u>15,041</u>	<u>26,980</u>	<u>11,698,034</u>
Total expenses	\$ <u>18,915,441</u>	<u>208,583</u>	<u>958,647</u>	<u>1,167,230</u>	<u>20,082,671</u>

(Continued)

FOOD BANK OF ALASKA, INC.

Statements of Functional Expenses, Continued

Expense	2022				
	Program Activities	Supporting Activities		Total Supporting Activities	Total Program and Supporting Activities
		Fundraising	Administration		
Cash expenses:					
Salaries and benefits	\$ 1,899,164	82,986	570,466	653,452	2,552,616
Purchased food	1,144,843	-	-	-	1,144,843
Purchased freight	547,792	-	-	-	547,792
Professional fees/outside services	180,957	20,947	99,974	120,921	301,878
Operations and maintenance	499,383	9,321	21,583	30,904	530,287
Utilities and phone	186,837	3,844	6,928	10,772	197,609
Printing	12,062	2,959	2,211	5,170	17,232
Grants to other organizations	57,538	-	-	-	57,538
Dues and subscriptions	8,990	1,488	1,204	2,692	11,682
Travel and meetings	34,714	96	5,982	6,078	40,792
Supplies	35,747	13,326	13,998	27,324	63,071
Postage and direct mail	4,266	28,611	1,500	30,111	34,377
Other	17,089	10,185	3,235	13,420	30,509
Total cash expenses	<u>4,629,382</u>	<u>173,763</u>	<u>727,081</u>	<u>900,844</u>	<u>5,530,226</u>
Non-cash expenses:					
Depreciation	389,688	6,659	12,927	19,586	409,274
In-kind - contributed non-financial assets:					
Distribution of donated food	12,221,897	-	-	-	12,221,897
In-kind freight	420,903	-	-	-	420,903
In-kind goods and services	321,917	6,066	29,108	35,174	357,091
Total non-cash expenses	<u>13,354,405</u>	<u>12,725</u>	<u>42,035</u>	<u>54,760</u>	<u>13,409,165</u>
Total expenses	<u>\$ 17,983,787</u>	<u>186,488</u>	<u>769,116</u>	<u>955,604</u>	<u>18,939,391</u>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Change in net assets	\$ 3,570,206	(178,883)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	449,037	409,274
Loss (gain) on capital asset disposal	-	7,012
Unrealized loss (gain) on investments	(12,109)	26,842
(Increases) decreases in assets:		
Accounts receivable	4,914	(111,042)
Grants receivable	(155,197)	(36,437)
Food inventory	(39,390)	87,130
Promises to give receivable	65,654	148,663
Prepaid expenses	(49,048)	3,879
Increases (decreases) in liabilities:		
Accounts payable	(20,053)	(250,783)
Accrued payroll liabilities	37,422	(65,202)
Deferred revenue	4,044	-
Net cash provided by operating activities	<u>3,855,480</u>	<u>40,453</u>
Cash flow from investing activities:		
Purchase of investments	(3,817)	(14,867)
Purchase of property and equipment	(4,044,999)	(863,165)
Net cash (used) by investing activities	<u>(4,048,816)</u>	<u>(878,032)</u>
Net (decrease) in cash and cash equivalents	(193,336)	(837,579)
Cash and cash equivalents, beginning of year	<u>4,548,121</u>	<u>5,385,700</u>
Cash and equivalents, end of year	<u>\$ 4,354,785</u>	<u>4,548,121</u>
Non-cash operating activities:		
Noncash donated food received	<u>\$ 10,646,401</u>	<u>12,134,767</u>
Distribution of donated food	<u>\$ 10,646,277</u>	<u>12,221,897</u>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements

June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Food Bank of Alaska, Inc. (FBA) was incorporated in 1979 as a non-profit organization pursuant to Alaska statutes. Its mission is to eliminate hunger in Alaska by obtaining and providing food to partner agencies feeding hungry people and through anti-hunger leadership. Food Bank of Alaska, Inc. is a member of Feeding America, the nation's food bank network (formerly known as America's Second Harvest). Public support is comprised primarily of contributions of food from governmental agencies, local businesses and individuals and cash donations from United Way, local businesses and individuals. Revenue is derived from fees paid to FBA by its partner agencies, from the Alaska Native Tribal Health Consortium for the Food Distribution Program on Indian Reservations, and State and Federal Grants.

Basis of Accounting

The financial statements of the Food Bank of Alaska, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements are in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. The Food Bank of Alaska, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an inventory reserves, property and equipment, and endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Income Taxes

FBA classifies all interest and penalties related to tax contingencies as income tax expense. As of June 30, 2023 and 2022 there are no accrued interest or penalties. As of June 30, 2023 and 2022 there were no uncertain tax positions or unrecognized tax benefits for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within 12 months of the reporting date. FBA files tax returns in the U.S. Federal Jurisdiction and the State of Alaska. As of 2023, the tax years that remain subject to examination begins with 2020.

Statement of Cash Flows

For the purposes of the statement of cash flows, the Food Bank of Alaska, Inc. considers all unrestricted highly liquid investments (i.e. those with maturity of 3 months or less) which are available for current use to be included in its definition of cash and cash equivalents.

Accounts Receivable

Accounts receivable, which primarily relate to amounts due from the FBA's partner agencies for food handling fees, are stated at the amount expected to be collected. Delinquent accounts receivable are written off when deemed uncollectible. Since management has adjusted their accounts receivable to what is expected to be collected, management has deemed receivables to be fully collectable, and, therefore no allowance for doubtful accounts has been established.

Promises to Give

FBA records unconditional promises to give at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Fair values are based on quoted market prices when available.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) accounts payable and (5) other current liabilities. The carrying amounts reported in the statements of financial position for the above financial instrument closely approximates their fair value due to the short-term nature of these assets and liabilities, except for the Food Bank of Alaska's investments. The carrying amounts of the Food Bank of Alaska, Inc.'s investments were determined based on quoted market prices.

Inventory

The inventory of food and related commodities is measured by applying a monetary rate to the quantity, in pounds, of foodstuffs (product) on hand. The monetary rate (which has been calculated by Feeding America) is designated to represent the average value of food and related commodities held in a typical food bank. For FY23, the rate for general product was \$1.92 per pound; the rate for USDA commodities was \$1.53 per pound. For FY22, the rate for general product was \$1.79 per pound; the rate for USDA commodities was \$1.70 per pound.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Property and Equipment

Property and equipment is carried at cost, or, in the case of donated property, at the estimated fair market value on the date of donation. All property and equipment is capitalized if the acquisition cost or estimated fair market value is in excess of \$5,000, the capitalization threshold.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as described in the following table. The cost of maintenance and repairs is charged to expense when incurred.

Property, buildings and equipment of the Food Bank of Alaska's, is depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful lives</u>
Vehicles	3 to 7 years
Warehouse equipment	3 to 10 years
Freezers/refrigerators	3 to 20 years
Office equipment	3 to 7 years
Warehouse building	40 years

Revenue and Expense Recognition

The Organization recognizes contributions when cash, securities, inventory, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met.

At June 30, 2023 and 2022, respectively, the Organization recognized all such conditional contributions prior to year-end.

Donor-restricted contributions (including promises to give) are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When the applicable restriction is satisfied or time passes, whichever the case may be, the net assets with donor restrictions are reclassified to net assets without donor restrictions.

Handling fees, The Emergency Food Assistance Program (TEFAP) and Commodity Supplemental Food Program (CSFP) reimbursements, Summer Food Service Program (SFSP) and Child and Adult Care Food Program (CACFP) and contractual payments are recognized as revenue once earned and have a reasonable claim to said assets. Proceeds from fundraising efforts are recognized when the event occurs, including accruals for any amounts outstanding at year end. As of June 30, 2023 and 2022 the Organization had no deferred balances for contract liabilities for any such dues, fees or reimbursements.

Contributed food and related commodities are valued by measuring their weight and applying a monetary rate to the measured quantity. The valuation of the foodstuffs is recognized as revenue when received and as expense when distributed.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. The Organization received cost-reimbursable grants of \$4,044 and \$0 for the years ended June 30, 2023 and 2022, respectively that have not been recognized because qualifying expenses have not been incurred.

Fees and services are generated from passing on the cost of shipping to its partner agencies. Fees and services are formed when the goods are received by the partner agencies, representing a single performance obligation at time of delivery.

Expenses are accrued in the accounting period in which the obligation arises.

Income from Operations

The Statements of Activities include *increase (decrease) in Net Assets Without Donor Restrictions from Cash Operating Activities* as a measurement indicator. This figure measures the results of current period cash operating transactions only; donated goods and services, support restricted to future program expansion, and activities relating to capital funding and outlays are excluded from this intermediate measurement indicator.

Functional Allocation of Expenses

For the purposes of the Statements of Functional Expenses, expenses directly associated with Food Bank of Alaska Inc.'s program, its administration or its fundraising activities are charged to the particular function. Allocable expenses benefiting all functions are allocated by management based on the benefits of the activities performed. Administrative expenses also include expenses that are not identifiable as either a program or fundraising expense, but which provide for the overall support and direction of Food Bank of Alaska Inc.

Donated Assets, Services and Materials

Donations of goods are recognized as contributions at their estimated fair values when the donation is received. Donated services which satisfy the definitions of the Financial Accounting Standards Board, are recognized as contributions when the service is rendered. In addition to the donated services which are recognized as contributions, many other volunteers have contributed significant time in assisting FBA for which their donated service is not recognized because it does not meet the published criteria of the Financial Accounting Standards Board.

Estimates and Significant Estimate

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The valuations of contributed food received and distributed, as well as ending valuation of food inventory are profoundly affected by an estimation process, generally applied by all food bank members of Feeding America.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

2. CASH AND CASH EQUIVALENTS

FBA maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023 and 2022, respectively, FBA had \$3,944,130 and \$5,194,093 that was not insured or collateralized.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

		2023	
Cash and cash equivalents	\$	4,354,785	
Accounts receivable		168,666	
Grants receivable		459,519	
Promises to give – current		7,526	
Non-endowed investments		113,356	
	\$	5,103,852	

The board-designated endowment of \$110,428 is subject to an annual spending rate of 4.50 percent. Although there is no intention to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. The non-endowment portion of the Alaska Community Foundation of \$113,356 can be fully distributed upon request of the board, if necessary to meet cash needs.

As part of their liquidity management plan, they invest cash in excess of daily requirements in a savings reserve.

4. PROMISES TO GIVE

Promises to give as of June 30, 2023 and 2022, respectively were \$10,026 and \$75,680, due in varying amounts from several individuals. Of the \$10,026 in promises to give during the fiscal year 2023, \$5,159 is attributed to the Capital Campaign and \$4,867 is attributed to We Believe.

Of the \$75,680 in promises to give during the fiscal year 2022, \$46,840 is attributed to the Capital Campaign and \$28,840 is attributed to We Believe.

Unconditional promises to give are estimated to be collected as follows at June 30:

		2023	2022	
Within one year	\$	7,526	66,447	
In one to five years		2,500	9,233	
Promises to give	\$	10,026	75,680	

5. FOOD DONATIONS AND FOOD INVENTORY

Food Bank of Alaska, Inc. received donated food from individual donors, several businesses and from the USDA Emergency Food Assistance and Commodities Supplemental Food programs.

During the year ended June 30, 2023, FBA received 5,889,517 pounds of donated food and other commodities. Using a valuation rate provided by Feeding America of \$1.92 for general product, and \$1.53 for USDA product, the donated food is valued at \$10,646,401.

Food inventory at June 30, 2023 totaled 890,894 pounds. Applying the same valuation rates and taking into account the actual cost of purchased food, the ending inventory is valued at \$1,492,878 as of June 30, 2023, in the accompanying Statements of Financial Position.

During the year ended June 30, 2022, FBA received 6,906,072 pounds of donated food and other commodities. Using a valuation rate provided by Feeding America of \$1.79 for general product, and \$1.70 for USDA product, the donated food is valued at \$12,134,767.

Food inventory at June 30, 2022 totaled 849,865 pounds. Applying the same valuation rates and taking into account the actual cost of purchased food, the ending inventory is valued at \$1,453,488 as of June 30, 2022, in the accompanying Statements of Financial Position.

6. INVESTMENTS

Food Bank of Alaska, Inc. maintains a Board-designated endowment, as well as non-endowed investments, with the Alaska Community Foundation. The Foundation includes this investment as assets owned by the Foundation and is presented as a component fund in their financials. As defined by United States Treasury Regulations, the Foundation has the right to modify the terms of the fund agreement if in the judgment of the Foundation's Board of Trustees the restrictions and conditions of the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The authority to modify restrictions is sometimes referred to as "variance power" and is a legal standard imposed on all community foundations.

As a result of the variance power all component funds are considered to be a part of a single public charity, in this case the Alaska Community Foundation (ACF). Therefore, the Foundation is the single legal owner of all assets contributed to any of its component funds.

By direction of the Food Bank of Alaska Inc.'s Board of Directors, this fund and its contributions as well as earnings is presently being preserved in order to accumulate enough resources so that it can generate a future, ongoing source of income for FBA. The underlying investments of this fund are a mix of fixed income securities and equities and are measured at their fair value in the accompanying financial statements.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

The Food Bank of Alaska Inc.'s financial assets and liabilities valued on a recurring basis and carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methods and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Investments consist of the following marketable securities at June 30, 2023:

		Level 1	Level 2	Level 3	Total
ACF – beneficial interests	\$				
Endowed		-	-	110,428	110,428
Non-Endowed		-	-	113,356	113,356
Total investments	\$	<u>-</u>	<u>-</u>	<u>223,784</u>	<u>223,784</u>
Promises to give	\$	<u>-</u>	<u>-</u>	<u>10,026</u>	<u>10,026</u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Investments consist of the following marketable securities at June 30, 2022:

		Level 1	Level 2	Level 3	Total
ACF – beneficial interests	\$				
Endowed		-	-	101,573	101,573
Non-Endowed		-	-	106,285	106,285
Total investments	\$	-	-	207,858	207,858
Promises to give	\$	-	-	75,680	75,680

The fair value of our investments in ACF and our promises to give are considered Level 3 measurements. The investments with ACF are pooled investments from other non-profits.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	2023		
	Fair Value Measurements		
	Using Significant Unobservable Inputs (Level 3)		
	Non-		
ACF Beneficial Interests:	Endowed	Endowed	Total
Balance, beginning of the year	\$ 106,285	101,573	207,858
Contributions	-	1,500	1,500
Realized Gains/Losses	(288)	(275)	(563)
Interest/Dividend Income	2,732	2,643	5,375
Unrealized Gains/Losses	6,162	5,947	12,109
Foundation/Admin fees	(1,350)	(783)	(2,133)
Management/Custodial Fees	(184)	(178)	(362)
Balance, end of the year	\$ 113,357	110,427	223,784
Promises to give:			
Balance, beginning of the year	\$ 75,680		
Payments received	(59,170)		
Adjustment for fair value	(6,484)		
Balance, end of the year	\$ 10,026		

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

2022			
Fair Value Measurements			
Using Significant Unobservable Inputs (Level 3)			
	Non- Endowed	Endowed	Total
ACF Beneficial Interests:			
Balance, beginning of the year	\$ 108,667	111,116	219,783
Contributions	8,000	500	8,500
Realized Gains/Losses	2,765	2,819	5,584
Interest/Dividend Income	1,675	1,717	3,392
Unrealized Gains/Losses	(13,242)	(13,600)	(26,842)
Foundation/Admin fees	(1,382)	(836)	(2,218)
Management/Custodial Fees	(188)	(193)	(381)
Balance, end of the year	<u>\$ 106,295</u>	<u>101,523</u>	<u>207,818</u>
Promises to give:			
Balance, beginning of the year	\$ 224,343		
Additional contributions	4,247,114		
Payments received	(4,380,966)		
Adjustment for fair value	<u>(14,811)</u>		
Balance, end of the year	<u>\$ 75,680</u>		

Investment income and gains, net investment fees, for June 30, 2023 and 2022, respectively, totaled \$153,402 and (\$14,918), and are included as interest and investments, net line item in Statements of Activities. There are no donor restrictions over funds. All earnings on the endowment portion of the ACF funds are designated by Board pronouncements. The Board Designated Endowment is classified as net assets without restrictions on the Statements of Financial Position.

7. PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

	June 30, 2022	Additions	Deletions	June 30, 2023
Property:				
Land	\$ 977,300	-	-	977,300
Buildings – warehouse	10,199,410	3,987,411	-	14,186,821
Total property	<u>11,176,710</u>	<u>3,987,411</u>	<u>-</u>	<u>15,164,121</u>
Equipment:				
Vehicles and trailers	871,845	39,000	-	910,845
Warehouse equipment	291,635	18,588	-	310,223
Office equipment	128,085	-	-	128,085
Total equipment	<u>1,291,565</u>	<u>57,588</u>	<u>-</u>	<u>1,349,153</u>
Total property and equipment	12,468,275	4,044,999	-	16,513,273
Less accumulated depreciation	(998,352)	(449,037)	-	(1,477,389)
Property and equipment, net	<u>\$ 11,469,923</u>	<u>3,595,962</u>	<u>-</u>	<u>15,065,885</u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

8. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions were compromised of the following amounts at June 30, 2023

Feeding America, Rednose	\$ 10,000
Feeding America, SNAP State Policy Engagement	157,119
Feeding America, Legislative Advocacy	12,120
Feeding America, Senior Hunger	70,128
Feeding America, Dis. Relief AK Typhoon Merbok	57,826
Feeding America, Cargil Food Safety training	432
Feeding America, Nourishing Neighbors	75,261
Albertsons Companies, produce	89,364
FRAC	5,138
Ford Motor Company, Child Nutrition	3,145
Rasmuson Foundation	<u>1,507</u>
Total purpose restrictions	<u>\$ 482,040</u>
Time restrictions -	
We Believe - Individual Pledges	<u>10,026</u>
Total net assets with donor restrictions	<u>\$ 492,066</u>

Net Assets with Donor Restrictions were compromised of the following amounts at June 30, 2022:

Feeding America, Equitable Food Access	\$ 200,000
Feeding America, SNAP State Policy Engagement	195,000
Feeding America, Legislative Advocacy	16,493
Feeding America, Baxter, produce shipping	39,435
Feeding America, Nourishing Neighbors	15,923
Ford Motor Company, Child Nutrition	<u>20,000</u>
Total purpose restrictions	<u>\$ 486,851</u>
Time restrictions -	
We Believe - Individual Pledges	<u>28,840</u>
Total net assets with donor restrictions	<u>\$ 515,691</u>

Net assets with Donor Restrictions are separated into three categories, purpose restrictions, time restrictions, and time and purpose restrictions. The following funds have purpose restrictions on June 30, 2023 and 2022:

- Ford Motor Co., Child Nutrition is restricted for the purpose of Child Hunger program for children in rural communities with few resources.
- Feeding America, Rednose is restricted for the purpose of supporting the Child Hunger program/initiative.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

- Rasmuson Foundation is restricted for the purchase of a scissor lift and food donation bin.
- Feeding America, Albertsons/Nourishing Neighbors is restricted to support the child breakfast program.
- Feeding America, Equitable Food Access is restricted to efforts that improve access to nutritious food among people experiencing the highest rates of food insecurity.
- Feeding America, SNAP State Policy Engagement is restricted to efforts that protect and strengthen SNAP at the state level.
- Feeding America, Legislative Advocacy is restricted to work on food policy priorities in the Farm Bill and Federal Child Nutrition Legislation.
- Feeding America, Baxter Foundation is restricted to shipping produce to rural Alaska.
- Feeding America, Cargill Food Safety Training is restricted for food safety training.
- FRAC, is restricted to efforts that improve access to nutritious food among children experiencing the highest rates of food insecurity.
- Feeding America, Disaster Relief AK Typhoon Merbok is restricted to food distribution efforts to those affected by Typhoon Merbok

The individual pledges from We Believe has a time restriction on June 30, 2023 and 2022.

Net Assets with Donor Restrictions were released from restrictions for the following purposes for year ended June 30, 2023:

Feeding America, Equitable Food Access	\$	200,000
Feeding America, SNAP State Policy Engagement		37,881
Feeding America, Advocacy		16,492
Feeding America, Baxter, produce shipping		39,435
Feeding America, Nourishing Neighbors		15,663
Ford Motor Company, Child Nutrition		16,855
Feeding America, Multi-donor Legislative Advocacy		37,881
Feeding America, Senior Hunger		79,872
Feeding America, Dis. Relief AK Typhoon Merbok		42,174
FRAC		2,362
Rasmuson Foundation		23,491
Total purpose restrictions	\$	<u>512,106</u>
Time restrictions -		
We Believe - Individual Pledges		<u>18,815</u>
Total net assets released from donor restrictions	\$	<u><u>530,921</u></u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Net Assets with Donor Restrictions were released from restrictions for the following purposes for year ended June 30, 2022:

Municipality of Anchorage, SNAP Produce	\$	15,000
Feeding America, Nourishing Neighbors		47,200
Feeding America, Rednose		12,994
Robin Hood Foundation, Public Policy		78,658
Feeding America, 3M		12,000
Feeding America, Advocacy		5,000
Feeding America, SNAP Capacity		14,400
Feeding America, Walmart/SNAP		44,000
Feeding America, Costco		22,340
Ford Motor Company, Child Nutrition		15,000
Kroger Foundation, Truck		138,000
Feeding America, Legislative Advocacy		8,508
Feeding America, Baxter, produce shipping		10,565
Feeding America/Albertsons/Nourishing Neighbors		13,301
Total purpose restrictions		<u>436,966</u>
Time restrictions -		
We Believe - Individual Pledges		<u>35,016</u>
Total net assets released from donor restrictions	\$	<u><u>471,982</u></u>

9. CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended June 30, 2023 and 2022, contributed non-financial assets recognized within the statements of activities included:

		<u>2023</u>	<u>2022</u>
Building	\$	<u>957,800</u>	<u>-</u>

During the year ended June 30, 2023 the Organization was the recipient of a contributed building. The building is used by Food Bank of Alaska, Inc. and is recognized at fair value based on current rates for similar properties.

All contributed nonfinancial assets received during the years ended June 30, 2023 and 2022 were unrestricted.

10. PENSION PLAN

FBA sponsors a defined contribution retirement plan. The plan calls for employer matching of employee contributions of a percentage of each participating employee's salary: 2 percent up to one year's service and 3 percent for one year or more of service. Pension cost for the years ended June 30, 2023 and 2022 totaled \$37,470 and \$33,072, respectively.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

11. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional fees/outside services, operations and maintenance, utilities and phone, printing, dues and subscriptions, travel and meetings, supplies, postage and direct mail, and other expense which are allocated on the basis of estimated time and effort. Utilities, phone, and depreciation expense is allocated on a square footage basis.

12. PROGRAM SERVICES

The program services are dedicated for providing and distributing food to partner agencies feeding hungry people and through anti-hunger leadership. Food distributions include partner food pantries, soup kitchens, senior centers, and children's programs.

13. IN-KIND SERVICES AND MATERIAL

FBA received donated services and material as follows for the year ended June 30, 2023.

		Program Activities	Supporting Activities	Total
Freight	\$	538,508	-	538,508
Professional		56,989	7,223	64,212
Donated food		10,646,277	-	10,646,277
Total	\$	11,241,774	7,223	11,248,997

FBA received donated services and material as follows for the year ended June 30, 2022.

		Program Activities	Supporting Activities	Total
Freight	\$	420,903	-	420,903
Rent		286,806	-	286,806
Professional/Supplies		35,111	35,174	70,285
Donated food		12,221,897	-	12,221,897
Total	\$	12,964,717	35,174	12,999,891

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2024, the date the financial statements were available for use.

SUPPLEMENTARY INFORMATION

FOOD BANK OF ALASKA, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

<u>Federal Grant Title</u>	<u>Grant/ Pass Through Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Health:				
Alaska Food Coalition	164-258-23001	10.561	\$ <u>100,738</u>	<u>100,738</u>
Passed through the State of Alaska, Department of Health:				
Food Distribution Cluster:				
Commodity Supplemental Food Program	164-262-23002	10.565	162,686	162,640
Commodity Supplemental Food Program	None	10.565	<u>1,113,188</u>	<u>1,113,188</u>
Total ALN 10.565			<u>1,275,874</u>	<u>1,275,828</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Child and Adult Care Food Program	52301	10.558	<u>42,597</u>	<u>42,597</u>
Child Nutrition Cluster:				
Summer Food Service Program	52301	10.559	<u>171,333</u>	<u>171,333</u>
The Emergency Food Assistance Program CCC	CC 23.52301.01	10.187	<u>14,841</u>	<u>14,841</u>
Food Distribution Cluster:				
The Emergency Food Assistance Program	TE 22.289.02, TE 23.289.02	10.568	595,170	419,784
The Emergency Food Assistance Program R&R	RR 23.289.01	10.568	<u>131,118</u>	<u>91,668</u>
Total ALN 10.568			<u>726,288</u>	<u>511,452</u>
The Emergency Food Assistance Program	None	10.569	<u>1,392,568</u>	<u>1,392,568</u>
Passed through Alaska Native Tribal Health Consortium:				
FDPIR	None	10.567	<u>89,246</u>	<u>89,246</u>
Total U.S. Department of Agriculture			<u>3,813,485</u>	<u>3,598,603</u>
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Health:				
Alaska Food Coalition	164-258-23001	93.558	<u>126,572</u>	<u>126,572</u>
U.S. Department of Homeland Security				
Direct:				
Emergency and Food Shelter	Phase 39	97.024	36,161	36,161
Emergency and Food Shelter	ARPAR	97.024	96,357	96,357
Emergency and Food Shelter	Phase 40	97.024	<u>32,573</u>	<u>12,242</u>
Total ALN 97.024			<u>165,091</u>	<u>144,760</u>
Total Expenditures of Federal Awards			<u>\$ 4,105,148</u>	<u>3,869,935</u>

See accompanying notes to the Schedule.

FOOD BANK OF ALASKA, INC.

Notes to Schedule of Expenditures of Federal Awards

Year End June 30, 2023

1. Basis of Presentation

The accompanying of expenditures of federal awards includes the federal grant activity of Food Bank of Alaska, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Food Bank of Alaska, Inc., it is not intended to and does not present financial position, changes in net position, functional expenses, or cash flows of Food Bank of Alaska, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Food Bank of Alaska, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

3. Multi-agency Grant Clusters

Multi-agency grant clusters include:

Food Distribution Cluster:

Department of Health and Social Services:		
Commodity Supplemental Food Program	10.565	\$ 1,275,828
Department of Education and Early Development:		
The Emergency Food Assistance Program	10.568	511,452
The Emergency Food Assistance Program	10.569	1,392,568
Total food distribution cluster		<u>\$ 3,179,848</u>

4. Reconciliation of Federal Expenditures to Financial Statements

Total federal expenditures per schedule	\$ 3,869,935
Less non-cash assistance	<u>(2,595,002)</u>
Total non-commodities federal revenue	<u>\$ 1,274,933</u>
Total government grants and contracts per Statement of Activities	\$ 6,471,996
Less State awards	<u>(5,197,063)</u>
Total federal grants per Statement of Activities	<u>\$ 1,274,933</u>

FOOD BANK OF ALASKA, INC.

Notes to Schedule of Expenditures of Federal Awards, Continued

5. Subrecipients

No federal funds were passed through to subrecipients.

6. Non-monetary Assistance

Non-monetary assistance is reported in the schedule at fair market value of commodities received.

FOOD BANK OF ALASKA, INC.

Schedule of State Financial Assistance

Year Ended June 30, 2023

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Share of Expenditures</u>	<u>Passed Through to Subrecipients</u>
Department of Commerce, Community and Economic Development - Marketing Grant - * Infrastructure of Alaska's Food Bank Network	23-DC-021	\$ <u>10,000,000</u>	<u>3,925,563</u>	<u>-</u>
Department of Health and Human Services - * SAFE - D	164-262-23002	<u>1,261,500</u>	<u>1,261,500</u>	<u>250,000</u>
Implementation of a Nutrition Education Program 2023	None	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Department of Health and Human Services		<u>1,271,500</u>	<u>1,261,500</u>	<u>250,000</u>
Total State Financial Assistance		\$ <u><u>11,271,500</u></u>	<u><u>5,187,063</u></u>	<u><u>250,000</u></u>

See accompanying notes to schedule.

FOOD BANK OF ALASKA INC.

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of the Food Bank of Alaska Inc. under programs of the State of Alaska for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Food Bank of Alaska Inc., it is not intended to and does not present the financial position, change in net assets or cash flows of the Food Bank of Alaska Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to The Food Bank of Alaska Inc.'s notes to the financial statements.

Note 3. Subrecipients

The following amounts were passed through to subrecipients:

Passed through to:		
Kenai Peninsula Food Bank	\$	100,000
Southeast Alaska Food Bank		<u>150,000</u>
Total	\$	<u>250,000</u>

Note 4. Major Program

* Denotes a major program for compliance audit purposes.

COMPLIANCE REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

Members of the Board of Directors
Food Bank of Alaska, Inc.
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the Food Bank of Alaska, Inc. (a non-profit organization), which comprise the Statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon date March 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Food Bank of Alaska's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food Bank of Alaska Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Alaska Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Members of the Board of Directors
Food Bank of Alaska, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Food Bank of Alaska Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
March 25, 2024

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance as Required by the *Uniform Guidance*

Independent Auditor's Report

Members of the Board of Directors
Food Bank of Alaska, Inc.
Anchorage, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Food Bank of Alaska, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Food Bank of Alaska, Inc.'s major federal program for the year ended June 30, 2023. Food Bank of Alaska, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

In our opinion, Food Bank of Alaska, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Food Bank of Alaska, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Food Bank of Alaska, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Food Bank of Alaska, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Food Bank of Alaska, Inc.'s compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Food Bank of Alaska, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Food Bank of Alaska, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Food Bank of Alaska, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness Food Bank of Alaska, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

Altman, Rogers & Co.

Anchorage, Alaska
March 25, 2024

FOOD BANK OF ALASKA, INC.

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

_____ Yes X No

Internal control over financial reporting:

Significant deficiency(ies) identified?

_____ Yes X None reported

Material weakness(es) identified?

_____ Yes X No

Noncompliance material to financial statements?

_____ Yes X No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):

Significant deficiency(ies) identified?

_____ Yes X None reported

Material weakness(es) identified?

_____ Yes X No

Any material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?

_____ Yes X No

Type of auditor’s report issued on compliance for major programs:

Food distribution cluster

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)(3) or (4)?

_____ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.565	Commodity Supplemental Food Program – Food Distribution Cluster
10.568	Emergency Food Assistance Program – Food Distribution Cluster
10.569	Emergency Food Assistance Program – Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

FOOD BANK OF ALASKA, INC.

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The Food Bank of Alaska Inc. did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

The Food Bank of Alaska Inc. did not have any findings related to federal awards.

Report on Compliance For Each Major State Program and Report on Internal Control over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Members of the Board of Directors
Food Bank of Alaska, Inc.
Anchorage, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Food Bank of Alaska, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Food Bank of Alaska, Inc.'s major state programs for the year ended June 30, 2023. Food Bank of Alaska, Inc.'s major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Food Bank of Alaska, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Food Bank of Alaska, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Food Bank of Alaska, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Food Bank of Alaska, Inc.'s state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Food Bank of Alaska, Inc.'s compliance based on our audit. 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 GAAS, Government Auditing Standards, and the State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Food Bank of Alaska, Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Food Bank of Alaska, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Food Bank of Alaska, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Food Bank of Alaska, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Members of the Board of Directors
Food Bank of Alaska, Inc.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Alaska. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska
March 25, 2024

FOOD BANK OF ALASKA, INC.

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified?

___ Yes X None Reported

Material weakness(es) identified?

___ Yes X No

Noncompliance material to financial statements noted?

___ Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified

___ Yes X No

Significant deficiency(ies) identified

___ Yes X None Reported

Type of auditor's report issued on compliance
for major programs:

Unmodified

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 750,000

Section II – Financial Statement Findings

The Food Bank of Alaska Inc. did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Food Bank of Alaska Inc. did not have any findings related to the State awards.

Auditee qualified as low-risk auditor?

___ Yes X No