

FOOD BANK OF ALASKA, INC.

Financial Statements, Supplementary
Information, and Compliance Reports

(With Independent Auditor's Report Thereon)

Years Ended June 30, 2024 and 2023

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, 2024 and 2023

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 financial statements of Food Bank of Alaska, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Food Bank of Alaska, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing*, issued by the Comptroller General of the United States Standards (Government Auditing Standards). 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.

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

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.

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* and the schedule of state financial assistance and related notes to schedule as required by the *State Of Alaska Audit Guide And Compliance Supplement For State Single Audits* 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 GAAS. 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 October 14, 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
October 14, 2024

FOOD BANK OF ALASKA, INC.

Statements of Financial Position

June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 5,063,955	4,354,785
Receivables:		
Accounts, net of credit losses of \$2,175 for 2024 and \$2,118 for 2023.	88,998	168,666
Grants	1,143,554	459,519
Promises to give - current	6,765	7,526
Food inventory	1,235,719	1,492,878
Prepaid expenses	84,866	87,019
Total current assets	<u>7,623,857</u>	<u>6,570,393</u>
Non-current assets:		
Promises to give - non current	-	2,500
Property and equipment, net	13,810,195	15,065,885
Investments:		
Endowed	122,621	110,428
Non-endowed	125,256	113,356
Total non-current assets	<u>14,058,072</u>	<u>15,292,169</u>
Total assets	<u>\$ 21,681,929</u>	<u>21,862,562</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 1,353,527	52,138
Accrued payroll liabilities	272,809	218,126
Deferred revenue	15,153	4,044
Total current liabilities	<u>1,641,489</u>	<u>274,308</u>
Net assets:		
Net assets with donor restrictions	<u>248,186</u>	<u>492,066</u>
Net assets without donor restrictions:		
Designated for:		
Inventory	1,235,719	1,492,878
Property and equipment	13,810,195	15,065,885
Reserves	3,000,000	3,000,000
Endowment	122,621	110,428
Undesignated	1,623,719	1,426,997
Total net assets without donor restrictions	<u>19,792,254</u>	<u>21,096,188</u>
Total net assets	<u>20,040,440</u>	<u>21,588,254</u>
Total liabilities and net assets	<u>\$ 21,681,929</u>	<u>21,862,562</u>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Statements of Activities

Years Ended June 30, 2024 and 2023

	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
Public support and revenues:			
Public support:			
Value of donated food	\$ 12,698,898	-	12,698,898
Contributions and grants (non-govt.)	3,916,943	318,944	4,235,887
Government grants and contracts	4,236,274	-	4,236,274
In kind contributed non-financial assets	435,670	-	435,670
Total public support	<u>21,287,785</u>	<u>318,944</u>	<u>21,606,729</u>
Revenues:			
Fees and services	608,977	-	608,977
Interest and investments, net	201,232	-	201,232
Gain (loss) on disposal of assets	(384,968)	-	(384,968)
Events	28,870	-	28,870
Gaming proceeds	27,675	-	27,675
Other revenue	16,092	-	16,092
Total revenues	<u>497,878</u>	<u>-</u>	<u>497,878</u>
Total public support and revenues before net assets released from donor restrictions	21,785,663	318,944	22,104,607
Net assets released from donor restrictions	<u>562,824</u>	<u>(562,824)</u>	<u>-</u>
Total public support and revenues	<u>22,348,487</u>	<u>(243,880)</u>	<u>22,104,607</u>
Expenses:			
Program activities	22,390,715	-	22,390,715
Supporting activities:			
Administration	1,014,453	-	1,014,453
Fundraising	247,253	-	247,253
Total expenses	<u>23,652,421</u>	<u>-</u>	<u>23,652,421</u>
Change in net assets	(1,303,934)	(243,880)	(1,547,814)
Net assets, beginning of year	<u>21,096,188</u>	<u>492,066</u>	<u>21,588,254</u>
Net assets, end of year	<u>\$ 19,792,254</u>	<u>248,186</u>	<u>20,040,440</u>

(Continued)

FOOD BANK OF ALASKA, INC.

Statements of Activities, Continued

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
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
Gain (loss) on disposal of assets	45,983	-	45,983
Gaming proceeds, net	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	<u>530,921</u>	<u>(530,921)</u>	<u>-</u>
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>

FOOD BANK OF ALASKA, INC.

Statements of Functional Expenses

Years Ended June 30, 2024 and 2023

Expense	2024				
	Program Activities	Supporting Activities		Total Supporting Activities	Total Program and Supporting Activities
		Fundraising	Administration		
Cash expenses:					
Salaries and benefits	\$ 2,283,456	140,082	716,596	856,678	3,140,134
Purchased food	3,049,509	-	-	-	3,049,509
Purchased freight	561,883	-	-	-	561,883
Professional fees/outside services	123,331	17,102	123,849	140,951	264,282
Operations and maintenance	481,661	8,314	46,846	55,160	536,821
Utilities and phone	193,192	3,360	26,480	29,840	223,032
Printing	1,799	4,000	6,229	10,229	12,028
Grants to other organizations	1,698,846	-	-	-	1,698,846
Dues and subscriptions	7,916	1,353	4,710	6,063	13,979
Travel and meetings	143,830	3,029	30,710	33,739	177,569
Supplies	24,360	9,506	11,275	20,781	45,141
Postage and direct mail	2,716	51,478	3,024	54,502	57,218
Other	497	825	27,430	28,255	28,752
Total cash expenses	<u>8,572,996</u>	<u>239,049</u>	<u>997,149</u>	<u>1,236,198</u>	<u>9,809,194</u>
Non-cash expenses:					
Depreciation	429,691	4,736	17,074	21,810	451,501
In-kind - contributed non-financial assets:					
Distribution of donated food	12,956,056	-	-	-	12,956,056
In-kind freight	358,024	-	-	-	358,024
In-kind goods and services	73,948	3,468	230	3,698	77,646
Total non-cash expenses	<u>13,817,719</u>	<u>8,204</u>	<u>17,304</u>	<u>25,508</u>	<u>13,843,227</u>
Total expenses	\$ <u>22,390,715</u>	<u>247,253</u>	<u>1,014,453</u>	<u>1,261,706</u>	<u>23,652,421</u>

(Continued)

FOOD BANK OF ALASKA, INC.

Statements of Functional Expenses, Continued

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>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flow from operating activities:		
Change in net assets	\$ (1,547,814)	3,570,206
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	451,501	449,037
Loss (gain) on capital asset disposal	384,968	45,983
Unrealized loss (gain) on investments	(20,865)	(12,109)
(Increases) decreases in assets:		
Accounts receivable	79,668	4,914
Grants receivable	(684,035)	(155,197)
Food inventory	257,159	(39,390)
Promises to give receivable	3,261	65,654
Prepaid expenses	2,153	(49,048)
Increases (decreases) in liabilities:		
Accounts payable	1,301,388	(20,053)
Accrued payroll liabilities	54,683	37,422
Deferred revenue	11,109	4,044
Net cash provided by operating activities	<u>293,176</u>	<u>3,901,463</u>
Cash flow from investing activities:		
Proceeds from sale of capital assets	576,786	-
Purchase of investments	(3,228)	(3,817)
Purchase of property and equipment	(157,564)	(4,090,982)
Net cash (used) by investing activities	<u>415,994</u>	<u>(4,094,799)</u>
Net increase (decrease) in cash and cash equivalents	709,170	(193,336)
Cash and cash equivalents, beginning of year	<u>4,354,785</u>	<u>4,548,121</u>
Cash and equivalents, end of year	<u>\$ 5,063,955</u>	<u>4,354,785</u>
Non-cash operating activities:		
Noncash donated food received	<u>\$ 12,698,898</u>	<u>10,646,401</u>
Distribution of donated food	<u>\$ 12,956,056</u>	<u>10,646,277</u>

See accompanying notes to financial statements.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements

June 30, 2024 and 2023

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 inventory, reserves, property and equipment, and an 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.

Income Taxes

FBA classifies all interest and penalties related to tax contingencies as income tax expense. As of June 30, 2024 and 2023 there are no accrued interest or penalties. As of June 30, 2024 and 2023 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 2024, the tax years that remain subject to examination begins with 2021.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Statement of Cash Flows

For the purposes of the statements 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.

Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's financial exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

FBA adopted the standard effective June 30, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

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. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by FBA. FBA believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as FBA customers have remained constant.

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.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

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 FY24, the rate for general product was \$1.93 per pound; the rate for USDA commodities was \$1.57 per pound. For FY23, the rate for general product was \$1.92 per pound; the rate for USDA commodities was \$1.53 per pound.

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, 2024 and 2023, 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, 2024 and 2023 the Organization had no deferred balances for contract liabilities for any such dues, fees or reimbursements.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

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.

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 \$15,153 and \$4,044 for the years ended June 30, 2024 and 2023, 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.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

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.

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, 2024 and 2023, respectively, FBA had \$4,822,476 and \$3,944,130 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:

	<u>2024</u>
Cash and cash equivalents	\$ 5,063,955
Accounts receivable	88,998
Grants receivable	1,143,554
Promises to give – current	6,765
Non-endowed investments	<u>125,256</u>
	<u>\$ 6,428,528</u>

The board-designated endowment of \$122,621 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-endowed portion of the Alaska Community Foundation of \$125,256 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, 2024 and 2023, respectively were \$6,765 and \$10,026, due in varying amounts from several individuals. Of the \$6,765 in promises to give during the fiscal year 2024, \$6,765 is attributed to We Believe.

Of the \$10,026 in promises to give during the fiscal year 2023, \$10,026 is attributed to We Believe.

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

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

	<u>2024</u>	<u>2023</u>
Within one year	\$ 6,765	7,526
In one to five years	-	2,500
Total promises to give	<u>\$ 6,765</u>	<u>10,026</u>

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, 2024, FBA received 7,040,609 pounds of donated food and other commodities. Using a valuation rate provided by Feeding America of \$1.93 for general product, and \$1.57 for USDA product, the donated food is valued at \$12,698,898.

Food inventory at June 30, 2024 totaled 751,270 pounds. Applying the same valuation rates and taking into account the actual cost of purchased food, the ending inventory is valued at \$1,235,719 as of June 30, 2024, in the accompanying Statements of Financial Position.

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.

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, 2024:

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ACF – beneficial interests	\$				
Endowed		-	-	122,621	122,621
Non-Endowed		-	-	125,256	125,256
Total investments	\$	<u>-</u>	<u>-</u>	<u>247,877</u>	<u>247,877</u>
Promises to give	\$	<u>-</u>	<u>-</u>	<u>6,765</u>	<u>6,765</u>

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

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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

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:

	2024		
	Fair Value Measurements		
	Using Significant Unobservable Inputs (Level 3)		
	Non- Endowed	Endowed	Total
ACF Beneficial Interests:			
Balance, beginning of the year	\$ 113,356	110,428	223,784
Contributions	-	-	-
Realized Gains/Losses	(93)	(89)	(182)
Interest/Dividend Income	3,097	3,023	6,120
Unrealized Gains/Losses	10,555	10,310	20,865
Foundation/Admin fees	(1,461)	(858)	(2,319)
Management/Custodial Fees	(198)	(193)	(391)
Balance, end of the year	\$ <u>125,256</u>	<u>122,621</u>	<u>247,877</u>

Promises to give:	
Balance, beginning of the year	\$ 10,026
Payments received	(3,261)
Adjustment for fair value	-
Balance, end of the year	\$ <u>6,765</u>

	2023		
	Fair Value Measurements		
	Using Significant Unobservable Inputs (Level 3)		
	Non- Endowed	Endowed	Total
ACF Beneficial Interests:			
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	(185)	(177)	(362)
Balance, end of the year	\$ <u>113,356</u>	<u>110,428</u>	<u>223,784</u>

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	\$ <u>10,026</u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

Investment income and gains (losses), net investment fees, for June 30, 2024 and 2023, respectively, totaled \$(183,736) and \$153,402, 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:

	<u>June 30,</u> <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2024</u>
Property:				
Land	\$ 977,300	-	-	977,300
Buildings – warehouse	14,186,821	105,844	(961,754)	13,330,911
Total property	<u>15,164,121</u>	<u>105,844</u>	<u>(961,754)</u>	<u>14,308,211</u>
Equipment:				
Vehicles and trailers	910,845	-	(39,000)	871,845
Warehouse equipment	310,223	90,721	(9,450)	391,494
Office equipment	128,085	-	-	128,085
Total equipment	<u>1,349,153</u>	<u>90,721</u>	<u>(48,450)</u>	<u>1,391,424</u>
Total property and equipment	16,513,274	196,565	(1,010,204)	15,699,635
Less accumulated depreciation	<u>(1,477,389)</u>	<u>(460,373)</u>	<u>(18,322)</u>	<u>(1,889,440)</u>
Property and equipment, net	<u>\$ 15,065,885</u>	<u>(263,808)</u>	<u>(991,882)</u>	<u>13,810,195</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets With Donor Restrictions were comprised of the following amounts at June 30, 2024:

Feeding America, SNAP State Policy Engagement	\$ 42,586
Feeding America, Nourishing Neighbors	43,598
Feeding America, Farm Bill Advocacy	14,356
Albertsons Companies, SNAP produce	13,092
Feeding America, Multi-Donor Strat Syce Round 2	45,030
Feeding America, Multi-Donor Child & Family Feeding	30,000
Feeding America, Costco	52,759
Total purpose restrictions	<u>\$ 241,421</u>
Time restrictions -	
We Believe - Individual Pledges	<u>\$ 6,765</u>
Total net assets with donor restrictions	<u>\$ 248,186</u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

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 are separated into three categories, purpose restrictions, time restrictions, and time and purpose restrictions. The following funds have purpose restrictions on June 30, 2024 and/or 2023:

- 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.
- 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, 2024 and 2023.

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, 2024:

Feeding America, Rednose	\$ 10,000
Feeding America, SNAP State Policy Engagement	114,533
Feeding America, 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
Albertson Company, produce	89,364
FRAC	5,138
Rasmuson Foundation	1,507
Ford Motor Company, Child Nutrition	3,145
Feeding America, Nourishing Neighbors connect to Fed Meals	22,587
Feeding America, Farm Bill Advocacy	35,644
Albertson Companies, SNAP produce	56,908
Feeding America Multi-Donor Strat Sycs Round 2	<u>4,970</u>
Total purpose restrictions	<u>\$ 559,563</u>
Time restrictions -	
We Believe - Individual Pledges	<u>\$ 3,261</u>
Total net assets released from donor restrictions	<u>\$ 562,824</u>

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	<u>23,491</u>
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>\$ 530,921</u>

FOOD BANK OF ALASKA, INC.

Notes to Financial Statements, Continued

9. CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended June 30, 2024 and 2023, contributed non-financial assets recognized within the statements of activities included:

		2024	2023
Building	\$	-	957,800

During the year ended June 30, 2024 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.

FBA received donated services and material as follows for the year ended June 30, 2024:

		Program Activities	Supporting Activities	Total
Freight	\$	358,024	-	358,024
Professional		73,948	3,698	77,646
Donated food		12,956,056	-	12,956,056
Total	\$	13,388,028	3,698	13,391,726

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

All contributed nonfinancial assets received during the years ended June 30, 2024 and 2023 were unrestricted. Fair value for the building was determined by using sales of similar buildings. Fair Value for freight and professional fees were determined by the company donating the freight or by the professionals performing the services Donated food values were determined by Feeding America.

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, 2024 and 2023 totaled \$40,442 and \$37,470, respectively.

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, 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 and phone, and depreciation expense is allocated on a square footage basis.

12. PROGRAM ACTIVITIES

The program activities 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. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2024, the date the financial statements were available for use.

FOOD BANK OF ALASKA, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<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	164-258-24001	10.561	\$ <u>100,698</u>	<u>100,698</u>
Food Distribution Cluster:				
Commodity Supplemental Food Program	164-262-24002	10.565	162,686	162,686
Commodity Supplemental Food Program	None	10.565	<u>1,147,021</u>	<u>1,147,021</u>
Total ALN 10.565			<u>1,309,707</u>	<u>1,309,707</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Child and Adult Care Food Program	52301	10.558	<u>27,341</u>	<u>27,341</u>
Child Nutrition Cluster:				
Summer Food Service Program	52301	10.559	<u>1,466,861</u>	<u>1,466,861</u>
The Emergency Food Assistance Program CCC				
	CC 24.52301.01, CC 24.52301.02, CC 24.52301.21, CC 24.52301.22	10.187	<u>78,507</u>	<u>78,507</u>
Food Distribution Cluster:				
The Emergency Food Assistance Program	TE 24.289.02	10.568	199,714	199,714
The Emergency Food Assistance Program R&R	RR 23.289.01, RR 24.52301.01	10.568	<u>323,648</u>	<u>323,648</u>
Total ALN 10.568			<u>523,362</u>	<u>523,362</u>
The Emergency Food Assistance Program	None	10.569	<u>2,480,746</u>	<u>2,480,746</u>
Passed through Alaska Native Tribal Health Consortium: FDPIR				
	None	10.567	<u>232,057</u>	<u>232,057</u>
Total U.S. Department of Agriculture			<u>6,219,279</u>	<u>6,219,279</u>
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Health:				
Alaska Food Coalition	164-258-24001	93.558	<u>126,612</u>	<u>126,612</u>
U.S. Department of Homeland Security:				
Direct:				
Emergency and Food Shelter	Phase 40	97.024	<u>20,331</u>	<u>20,331</u>
Total Expenditures of Federal Awards			<u>\$ 6,366,222</u>	<u>6,366,222</u>

See accompanying notes to the Schedule.

FOOD BANK OF ALASKA, INC.

Notes to Schedule of Expenditures of Federal Awards

Year End June 30, 2024

1. Basis of Presentation

The accompanying of expenditures of federal awards (Schedule) includes the federal grant activity of Food Bank of Alaska, Inc. under programs of the federal government for the year ended June 30, 2024. 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	\$	1,309,707
Department of Education and Early Development:			
The Emergency Food Assistance Program	10.568		523,362
The Emergency Food Assistance Program	10.569		2,480,746
Total food distribution cluster		\$	4,313,815

4. Reconciliation of Federal Expenditures to Financial Statements

Total federal expenditures per schedule	\$	6,366,222
Less non-cash assistance		(3,859,824)
Total non-commodities federal revenue	\$	2,506,398
Total government grants and contracts per Statement of Activities	\$	4,236,274
Less State awards		(1,719,876)
Less local grant		(10,000)
Total federal grants per Statement of Activities	\$	2,506,398

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, 2024

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Share of Expenditures</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>1,719,876</u>
Total State Financial Assistance		\$ <u><u>10,000,000</u></u>	<u><u>1,719,876</u></u>

See accompanying notes to schedule.

FOOD BANK OF ALASKA, INC.

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2024

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, 2024. 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

No state funds were passed through to subrecipients.

Note 4. Major Program

* Denotes a major program for compliance audit purposes.

COMPLIANCE REPORTS

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, 2024, 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 October 14, 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
October 14, 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, 2024. 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, 2024.

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
October 14, 2024

FOOD BANK OF ALASKA, INC.

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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:

Assistance Listing Number(s)

Name of Federal Program or Cluster

10.567

Food Distribution Program on Indian Reservations

10.559

Child Nutrition 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, 2024. 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, 2024.

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.

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
October 14, 2024

FOOD BANK OF ALASKA, INC.

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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 auditee?

___ Yes X No