

A SIMPLE GESTURE-GREENSBORO, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022



A SIMPLE GESTURE-GREENSBORO, INC.

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Independent Auditor's Report

To The Board of Directors
A Simple Gesture-Greensboro, Inc.
Greensboro, North Carolina

Opinion

We have audited the accompanying financial statements of A Simple Gesture-Greensboro, Inc., which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Simple Gesture-Greensboro Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of A Simple Gesture-Greensboro Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 A Simple Gesture-Greensboro 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 auditing standards generally accepted in the United States of America 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, including omissions, 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 auditing standards generally accepted in the United States of America, 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 A Simple Gesture-Greensboro 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 A Simple Gesture-Greensboro 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.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
August 8, 2023

A SIMPLE GESTURE-GREENSBORO, INC.
Statement of Financial Position
December 31, 2022

Assets

Current Assets:

Cash and cash equivalents	\$ 282,824
Certificate of deposit	<u>150,851</u>
Total current assets	<u>433,675</u>
 Total assets	 <u><u>\$ 433,675</u></u>

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ -
Accrued expenses	<u>653</u>
Total current liabilities	<u>653</u>

Net Assets:

Without donor restrictions	<u>433,022</u>
Total net assets	<u>433,022</u>
 Total liabilities and net assets	 <u><u>\$ 433,675</u></u>

A SIMPLE GESTURE-GREENSBORO, INC.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contributions:			
Cash grants and contributions	\$ 387,307	\$ -	\$ 387,307
In kind donations	813,933	-	813,933
Other revenues	894	-	894
	<u>1,202,134</u>	<u>-</u>	<u>1,202,134</u>
Total revenues and support	<u>1,202,134</u>	<u>-</u>	<u>1,202,134</u>
Program expenses:			
Food Collection Program	1,031,042	-	1,031,042
Total program expenses	1,031,042	-	1,031,042
General and administrative	100,034	-	100,034
Fundraising	13,437	-	13,437
Total expenses	<u>1,144,513</u>	<u>-</u>	<u>1,144,513</u>
Changes in net assets	57,621	-	57,621
Net assets, beginning of year	<u>375,401</u>	<u>-</u>	<u>375,401</u>
Net assets, end of year	<u>\$ 433,022</u>	<u>\$ -</u>	<u>\$ 433,022</u>

A SIMPLE GESTURE-GREENSBORO, INC.**Statement of Functional Expenses****Year Ended December 31, 2022**

	Program Services			
	Food Collection	General & Administrative	Fundraising	Total
Accounting fees	\$ -	\$ 10,500	\$ -	\$ 10,500
Advertising	18,284	-	-	18,284
Appreciation gifts to donors	-	2,958	-	2,958
Bank charges	-	331	-	331
Bank fees	-	2,542	-	2,542
Books, subscriptions	-	1,510	-	1,510
Business registration fees	-	-	-	-
Company meals	-	901	901	1,802
Computer services	2,513	1,658	854	5,025
Contract labor	255	157	1,828	2,240
Donation	-	-	-	-
Donated facilities	18,000	11,880	6,120	36,000
Equip Rental and Maintenance	-	571	-	571
Food bank donations	777,932	-	-	777,932
Insurance - liability, D&O	-	2,170	-	2,170
Legal fees	-	353	-	353
Office supplies	3,342	1,114	-	4,456
Outside contract services	638	212	-	850
Payroll expenses	156,227	52,076	-	208,303
Postage, mailing service	4,595	1,562	3,032	9,189
Printing and copying	-	-	-	-
Rent, parking, utilities	1,064	361	702	2,127
Program supplies	47,446	-	-	47,446
Telephone, telecommunications	746	248	-	994
Travel	-	6,971	-	6,971
Employee Benefits	-	641	-	641
Conference, Convention, Meeting	-	1,308	-	1,308
Reconciliation Discrepancies	-	10	-	10
Total functional expenses	<u>\$ 1,031,042</u>	<u>\$ 100,034</u>	<u>\$ 13,437</u>	<u>\$ 1,144,513</u>

A SIMPLE GESTURE-GREENSBORO, INC.
Statement of Cash Flows
Year Ended December 31, 2022

Cash flows from operating activities:	
Changes in net assets	\$ 57,621
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	6,260
Increase (decrease) in:	
Accounts payable	(5,305)
Accrued expenses	(2,741)
Net cash provided by operating activities	<u>55,835</u>
 Cash flows from investing activities:	
Purchase of certificate of deposit	<u>(150,851)</u>
Net cash used in investing activities	<u>(150,851)</u>
 Net decrease in cash and cash equivalents	(95,016)
 Cash and cash equivalents - beginning	<u>377,840</u>
 Cash and cash equivalents - ending	<u><u>\$ 282,824</u></u>

A SIMPLE GESTURE-GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Simple Gesture-Greensboro, Inc. ("ASG") is a food collection agency, incorporated as a not for profit corporation in the State of North Carolina in 2015, in which various food products are collected by volunteers and distributed to food pantry partners. ASG's program goals include: to provide regular food supplies to hungry neighbors in the Guilford County area; to create neighborhood connections; and to serve as a model for other communities.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less. ASG maintains its cash in local bank deposit accounts, which is insured by the Federal Deposit Insurance Corporation up to \$250,000. Whenever cash balances exceed the amount insured, there is a risk of monetary loss.

Net Assets

ASG reports information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions - depending on the existence and/or nature of any donor restrictions.

Revenues and Receivables

Grants and contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. If such donor restrictions are met within the year such donations were received, ASG records such donations as net assets without donor restrictions in the statement of activities and changes in net assets.

ASG receives a significant amount of donated food products which are recorded as in-kind contribution income and charged to expense when delivered to area food banks in the statement of activities and changes in net assets. These contributions for food products are recognized at their estimated fair value per pound. The estimated amount for donated food was \$777,932 for 2022.

The Organization operates its warehouse and offices using donated facilities. The Organization does not pay rent for use of the facilities. The difference between the rental agreements and the fair value of the use of these facilities is recorded as in-kind donations based on the estimated fair market value of the comparable leased properties. The value of all donated space has been estimated at \$36,000 for 2022.

Functional Allocation of Expenses

The costs of programs and supporting services are reported on a functional basis in the statement of activities and changes in net assets. Accordingly, costs have been allocated among programs and general administrative based on estimated employee time and effort.

A SIMPLE GESTURE-GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

ASG is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

It is ASG's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2022.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through August 8, 2023, which is the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ASG is substantially supported by grants and contributions. Contributions and grants may be restricted by donors to be used in a particular manner or in a future period and therefore, ASG must maintain sufficient resources to meet those responsibilities to its donors.

Financial assets:	
Cash and cash equivalents	\$ 282,824
Certificate of deposit	150,851
Total financial assets	<u>433,675</u>
Less those unavailable for general expenditures within one year, due to:	
Purpose restrictions	<u>-</u>
Financial assets available for general expenditures within one year	<u><u>\$ 433,675</u></u>