

EASTWEST FOOD RESCUE

Reviewed Financial Statements
December 31, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
EastWest Food Rescue
Woodinville, Washington

We have reviewed the accompanying financial statements of EastWest Food Rescue (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Greenwood Ohlund

Seattle, Washington
June 21, 2023

EASTWEST FOOD RESCUE

STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current Assets

Cash and cash equivalents	\$	674,610
Grants and contributions receivable		135,690
Prepaid expenses		<u>3,348</u>
Total assets	\$	<u><u>813,648</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$	38,510
Net Assets Without Donor Restrictions		<u>775,138</u>
Total liabilities and net assets	\$	<u><u>813,648</u></u>

See independent accountant's review report and accompanying notes to financial statements.

EASTWEST FOOD RESCUE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2022

Support and Revenue	
Donated food	\$ 1,515,115
Government grants	1,060,306
Contributions	168,550
Loss on disposal of property and equipment	<u>148</u>
Total support and revenue	2,744,119
Expenses	
Program services	2,177,895
Management and general	30,608
Fundraising	<u>23,270</u>
Total expenses	<u>2,231,773</u>
Change in net assets without donor restrictions	512,346
Net Assets Without Donor Restrictions, beginning of year	<u>262,792</u>
Net Assets Without Donor Restrictions, end of year	<u><u>\$ 775,138</u></u>

See independent accountant's review report and accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food donations	\$ 1,925,573	\$ -	\$ -	\$ 1,925,573
Travel	130,522	-	-	130,522
Contractors	92,545	4,092	-	96,637
Payroll, taxes and benefits	24,600	19,266	18,976	62,842
Program supplies, repairs and trash	4,655	-	-	4,655
Office expenses	-	2,897	1,409	4,306
Insurance	-	3,704	-	3,704
Information technology	-	422	2,584	3,006
Advertising	-	-	301	301
Occupancy	-	227	-	227
Total expenses	<u>\$ 2,177,895</u>	<u>\$ 30,608</u>	<u>\$ 23,270</u>	<u>\$ 2,231,773</u>

See independent accountant's review report and accompanying notes to financial statements.

EASTWEST FOOD RESCUE

STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in net assets	\$ 512,346
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Changes in operating assets and liabilities:	
Grants and contributions receivable	(43,212)
Prepaid expenses	5,088
Accounts payable and accrued expenses	18,494
	<hr/>
Net cash flows from operating activities and change in cash and cash equivalents	492,716
Cash and Cash Equivalents, beginning of the year	<hr/> 181,894
Cash and Cash Equivalents, end of the year	<hr/> \$ 674,610 <hr/>

See independent accountant's review report and accompanying notes to financial statements.

EASTWEST FOOD RESCUE

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

The mission of EastWest Food Rescue (the Organization) is “to support farmers and caringly feed our neighbors in need.”

The Organization addresses the dual problems of food insecurity and food waste. Farmers do not have enough meaningful outlets for surplus and seconds produce, and the Organization has designed an innovative solution to address this challenge and support the nutritional needs of the food insecure. Approximately up to 40% of food goes to waste every year for many reasons, including: 1) produce is declined by large grocery chains due to cosmetic issues or timing; and 2) there is often not a market for produce at the price farmers need to harvest. The Organization provides a backstop to farmers when they cannot sell their produce on the open market, acquiring this food at the basic cost farmers need and transporting it to people who are food insecure.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. There are no net assets with donor restrictions, and therefore, this classification of net assets is not presented.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with banks. The Organization occasionally holds balances in excess of federally insured limits.

Grants and Contributions Receivable

Management reviews the collectability of grants and contributions receivable on a periodic basis and determines the appropriate amount of an allowance for doubtful accounts, if any. The Organization writes off receivables against the allowance when it is determined that a receivable is not collectible. Management believes all receivables are collectible at December 31, 2022.

One government agency represented 70% of grants and contributions receivable at December 31, 2022.

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NOTES TO FINANCIAL STATEMENTS

Revenue Recognition

Contributions and grants (including those from government agencies) are recorded when unconditionally pledged as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. Conditional promises to give, that is, those with a measurable performance barrier or other measurable barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Revenue from government grants is subject to audit, which could result in adjustments to revenue. These adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the year ended December 31, 2022, no significant adjustments were made.

Grants from one government agency represented 28% of total support and revenue.

The Organization records the value of donated food as a contribution at the time the food is donated since the Organization has discretion in deciding the disposition of the donated food. Cost is estimated based on the fair value for donated goods at the time of donation, which is recognized based on the dollar value per pound of food established by the State of Washington Emergency Food Assistance Program. The valuation was \$1.82 during the year ended December 31, 2022.

During the year ended December 31, 2022, the Organization received donations of food from two donors representing 31% of total support and revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain expenses are attributable to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include payroll, taxes, and benefits and contractors, which are allocated on the basis of estimates of time and effort, and occupancy, which is allocated based on estimates of use of space.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3); accordingly, no provision has been made for federal income tax in the accompanying financial statements.

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was June 21, 2023.

EASTWEST FOOD RESCUE

NOTES TO FINANCIAL STATEMENTS

Note 2 – Liquidity and Availability of Resources

The Organization strives to maintain liquid financial assets, in the form of cash and cash equivalents, sufficient to cover at least one year of general expenditures. Financial assets available for general expenditure within the next year consist of cash and cash equivalents of \$674,610 and grants and contributions receivable of \$135,690 at December 31, 2022.