

Feeding Florida, Inc.
Financial Statements
and Other Financial Information
Years ended June 30, 2021 and 2020

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Report of Independent Auditors

Board of Directors of
Feeding Florida, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Feeding Florida, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2021, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feeding Florida, Inc., as of June 30, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted new accounting guidance, ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by and Chapter 10.650, Rules of the Auditor General, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of findings and questioned costs relating to federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance and the schedule of findings and questioned costs relating to federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance and the schedule of findings and questioned costs relating to federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Feeding Florida, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2020. In our opinion, the summarized comparative information presented in the statements of activities and changes in net assets and functional expenses as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022 on our consideration of the Organization'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 the Organization'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 Organization's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 8, 2022

Feeding Florida, Inc.

Statements of Financial Position

	June 30,	
	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,735,168	\$ 2,035,829
Contracts and grants receivable	1,120,025	467,685
Prepaid expenses	<u>2,765</u>	<u>4,735</u>
Total current assets	2,857,958	2,508,249
Property and equipment, net	<u>-</u>	<u>195</u>
Total assets	<u>\$ 2,857,958</u>	<u>\$ 2,508,444</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 485,208	\$ 97,569
Deferred revenue	<u>392,234</u>	<u>-</u>
Total liabilities	<u>877,442</u>	<u>97,569</u>
Net assets:		
Without donor restrictions	1,273,553	1,385,568
With donor restrictions	<u>706,963</u>	<u>1,025,307</u>
Total net assets	<u>1,980,516</u>	<u>2,410,875</u>
Total liabilities and net assets	<u>\$ 2,857,958</u>	<u>\$ 2,508,444</u>

See accompanying notes.

Feeding Florida, Inc.

Statements of Activities and Changes in Net Assets

	Years ended June 30,			2020
	2021		Total	
	Without Donor Restrictions	With Donor Restrictions		Total
Changes in net assets:				
Revenues and other support:				
Grants and awards governmental	\$ 1,842,569	\$ 1,958,926	\$ 3,801,495	\$ 3,009,749
Grants and awards non-governmental	20,000	15,000	35,000	50,000
Out of State Farmers Feeding Florida	1,313,249	-	1,313,249	1,037,139
In State Farmers Feeding Florida	4,060,890	-	4,060,890	442,046
Contributions	441,806	23,835	465,641	289,606
Logistics fees	74,577	-	74,577	75,287
Membership dues	40,239	-	40,239	42,069
Interest and other income	(2,866)	-	(2,866)	6,118
Emergency management	-	102,268	102,268	1,361,157
Net assets released from restrictions	<u>2,418,373</u>	<u>(2,418,373)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>10,208,837</u>	<u>(318,344)</u>	<u>9,890,493</u>	<u>6,313,171</u>
Expenses:				
Program services:				
Farmers Feeding Florida	7,867,018	-	7,867,018	4,551,044
Advocacy	180,333	-	180,333	129,544
Disaster preparedness	288,123	-	288,123	377,102
Food Insecurity Nutrition Incentive	1,634,775	-	1,634,775	590,622
Professional/development	242,277	-	242,277	167,496
General and administrative	108,326	-	108,326	106,586
Total expenses	<u>10,320,852</u>	<u>-</u>	<u>10,320,852</u>	<u>5,922,394</u>
Change in net assets	(112,015)	(318,344)	(430,359)	390,777
Net assets at beginning of year	<u>1,385,568</u>	<u>1,025,307</u>	<u>2,410,875</u>	<u>2,020,098</u>
Net assets at end of year	<u>\$ 1,273,553</u>	<u>\$ 706,963</u>	<u>\$ 1,980,516</u>	<u>\$ 2,410,875</u>

See accompanying notes.

Feeding Florida, Inc.

Statement of Functional Expenses

Years ended June 30,
2021

2020

	Farmers Feeding Florida	Advocacy	Disaster Preparedness	Food Insecurity Nutrition Incentive	Total Program Services	Professional/ Development	General and Administrative	Total	Total
Functional expenses:									
Accounting fees	\$ 34,963	\$ 20,916	\$ 5,032	\$ -	\$ 60,911	\$ 28,164	\$ 10,761	\$ 99,836	\$ 39,483
Audit	6,121	3,662	881	-	10,664	4,931	1,885	17,480	16,625
Bad debt expense	-	-	-	-	-	-	15,744	15,744	19,991
Conference registrations	-	406	-	-	406	-	-	406	3,925
Consulting	3,152	1,886	454	18,600	24,092	2,539	969	27,600	49,324
Depreciation	68	41	10	-	119	55	21	195	468
Directors and officers insurance	796	476	115	-	1,387	641	246	2,274	2,661
Dues and subscriptions	546	327	79	-	952	440	167	1,559	1,663
Education and advocacy	10,039	6,006	1,445	-	17,490	8,087	3,090	28,667	24,000
Food box distribution	-	-	-	-	-	-	-	-	2,058
Farmers Feeding Florida - in state subsidized	1,542,278	-	-	-	1,542,278	-	-	1,542,278	2,007,933
Farmers Feeding Florida - out of state	1,392,535	-	-	-	1,392,535	-	-	1,392,535	1,032,477
Farmers Feeding Florida - state reimbursed	4,315,374	-	-	-	4,315,374	-	-	4,315,374	442,257
Government relations	4,669	2,793	672	-	8,134	3,761	1,438	13,333	16,099
Incentives and awards	-	-	-	1,340,747	1,340,747	-	-	1,340,747	289,441
Licenses and fees	56	34	8	-	98	45	18	161	161
Marketing - auto tag	20,749	12,413	2,986	-	36,148	16,714	6,388	59,250	63,000
Marketing - general	3,380	2,022	487	33,304	39,193	2,723	1,041	42,957	134,324
Meal deficit project	-	-	-	-	-	-	-	-	226,000
Office expenses	3,837	2,295	552	5,797	12,481	3,091	1,182	16,754	25,297
Postage and delivery	42	25	6	-	73	34	14	121	397
Printing	-	-	-	-	-	-	-	-	936
Rent	6,304	3,771	907	-	10,982	5,078	1,940	18,000	24,360
Re-granting donations to network	-	-	244,836	-	244,836	-	-	244,836	298,966
Salary and benefits	199,746	119,495	28,747	226,931	574,919	160,904	61,485	797,308	686,073
Technology	130	78	19	-	227	105	39	371	520
Telephone	1,513	905	218	-	2,636	1,219	466	4,321	3,300
Transportation allocation	316,071	-	-	-	316,071	-	-	316,071	460,692
Travel staff and contractors	2,422	1,450	348	9,396	13,616	1,952	746	16,314	47,458
Website	2,227	1,332	321	-	3,880	1,794	686	6,360	2,505
	<u>\$ 7,867,018</u>	<u>\$ 180,333</u>	<u>\$ 288,123</u>	<u>\$ 1,634,775</u>	<u>\$ 9,970,249</u>	<u>\$ 242,277</u>	<u>\$ 108,326</u>	<u>\$ 10,320,852</u>	<u>\$ 5,922,394</u>

See accompanying notes.

Feeding Florida, Inc.
Statements of Cash Flows

	Years ended June 30,	
	<u>2021</u>	<u>2020</u>
Operating activities		
Receipts from grants and contracts	\$ 7,212,013	\$ 8,082,824
Payments to suppliers and personnel	<u>(7,512,674)</u>	<u>(7,982,177)</u>
Net cash (used in) provided by operating activities	<u>(300,661)</u>	<u>100,647</u>
Net (decrease) increase in cash and cash equivalents	(300,661)	100,647
Cash and cash equivalents at beginning of year	<u>2,035,829</u>	<u>1,935,182</u>
Cash and cash equivalents at end of year	<u>\$ 1,735,168</u>	<u>\$ 2,035,829</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ (430,359)	\$ 390,777
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	195	468
Changes in operating assets and liabilities:		
Contracts and grants receivable	(652,340)	(80,037)
Prepaid expenses	1,970	(332)
Accounts payable	387,639	(210,229)
Deferred revenue	<u>392,234</u>	<u>-</u>
Net cash (used in) provided by operating activities	<u>\$ (300,661)</u>	<u>\$ 100,647</u>

See accompanying notes.

Feeding Florida, Inc.

Notes to Financial Statements

Years ended June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Feeding Florida, Inc. (the Organization) was incorporated as a Florida not-for-profit corporation on January 21, 1993 under the corporate name Florida Association of Food Banks, Inc. (the Association), for the purpose of increasing the availability of food to needy families throughout the state of Florida. On June 8, 2016, the Association amended the Articles of Incorporation to change its official name to Feeding Florida, Inc. The Organization's general mission is to manage and administer certain resources for its 14 member food banks in order to enhance and support their efforts to feed Florida residents in need in all 67 Florida counties.

In 2003, the Organization entered into an agreement with Yoko Ono Lennon, which granted the Organization the right to use the image of John Lennon on a specialty license plate. The Organization receives revenue derived from the sale of the license plate and uses the funds to highlight the problems with hunger and support programs directed at ending hunger in the state of Florida. The revenue is termed "Auto Tag Revenue - Imagine" and is included in the grants and awards governmental on the statement of activities and changes in net assets.

Farmers Feeding Florida is a food recovery program instituted by the Organization. The goal of the program is to work with farmers and packers to distribute unmarketable produce to those in need. This program helps offset the farmer's and packer's cost of picking and packing. This program is partially supported by the Florida Department of Agriculture and Consumer Services (FL DACS) Program.

Disaster Preparedness Response is a program to provide training to associated food banks in preparation of disaster response.

During the year ended June 30, 2014, the Organization also began a service whereby if a Florida grower has a crop available and member food banks are saturated with that particular crop it will connect a food bank in or out of the State with the grower and then charge a one half cent to two cent per pound logistics fee. The respective food bank then pays the Organization the cost of the picking and packing and the logistics. The Organization then pays the respective grower the pick and pack fee.

FL-DACS Transportation is a state of Florida funded program to provide transportation of donated food to private not-for-profit emergency feeding organizations.

Basis of Accounting

The Organization uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation

Effective July 1, 2020, the Organization has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU superseded nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. The adoption of the standard had no effect on previously reported financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with financial institutions and deposits in highly liquid money market funds. The financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three month or less to be cash equivalents.

Contracts and Grants Receivable

Contracts and grants receivable consist of billings due from grantor or provider agencies. The Organization uses the direct write-off method of accounting for uncollectible accounts associated with grantor or provider agencies. At June 30, 2021 and 2020, all contract and grant receivables are considered by management to be fully collectible.

Property and Equipment

Property and equipment is recorded at cost except for donated items (used in operations of the Organization), which are recorded at fair market value as of the date received. Depreciation is computed on the straight-line method over its estimated useful lives of the related assets. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Equipment	5 years

The Organization's policy is to capitalize asset acquisitions greater than \$1,000.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Operating revenues

Operating revenues consist principally of state and federal grants, fees for services, and membership dues. Revenues from grants and fees for services are recognized during the year in which the terms of the grant are satisfied, or the related services are provided. Membership dues are considered to be contributions and are recognized when received.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions when received, depending on the existence and/or nature of any donor restrictions. Contributions of donated noncash assets are recorded at their fair values in the period received.

Contributions and grants of cash and other assets are reported as net assets with donor restrictions support if they are received with donor stipulations that limit the use and duration of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor contributions and grants received with restrictions that expire during the fiscal year are recorded as contributions without donor restrictions on the statements of activities and changes in net assets.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include items such as salaries, depreciation, insurance, accounting and marketing. Costs that are not directly attributable to a specific program or function are allocated to each program function based on full time equivalent time and effort. Certain expenses are allocated directly to the program.

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expense by function.

Advertising Costs

The Organization's policy is to expense advertising costs as such costs are incurred.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for years ended June 30, 2017, and prior.

Subsequent Events

The Organization has evaluated subsequent events through March 8, 2022, the date the financial statements were available to be issued. During the period from June 30, 2021 to March 8, 2022, the Organization did not have any material recognizable subsequent events.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Available Resources and Liquidity

The organization receives contributions, non-public grants, and other income and considers these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures. The organization manages its liquidity to meet 90 days of operating expenses.

The table presents financial assets available for general expenditures within one year:

Financial assets at year-end	June 30,	
	2021	2020
Cash and cash equivalents	\$ 1,735,168	\$ 2,035,829
Contracts and grants receivables	<u>1,120,025</u>	<u>467,685</u>
Total	2,855,193	2,503,514
Less: Donor restricted funds	<u>(706,963)</u>	<u>(1,025,307)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,148,230</u>	<u>\$ 1,478,207</u>

Feeding Florida, Inc.

Notes to Financial Statements

3. Property and Equipment

Property and equipment consist of the following at:

	June 30,	
	<u>2021</u>	<u>2020</u>
Office equipment	\$ 2,100	\$ 2,100
Less accumulated depreciation	<u>2,100</u>	<u>1,905</u>
	<u>\$ -</u>	<u>\$ 195</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$195 and \$468, respectively.

4. Net Assets

Net assets with donor restrictions consist of auto tag revenues received from the state of Florida, and funds received with donor restrictions whose purposes have not been fulfilled. The net assets are reclassified to net assets without donor restrictions in the year the restriction is fulfilled. Transfers are made between net asset classifications as needed.

Net assets with donor restrictions consist of the following:

	June 30,	
	<u>2021</u>	<u>2020</u>
Auto tag revenue - Imagine	\$ -	\$ 11,440
Hurricane emergency management	306,086	373,961
Florida Blue Foundation	30,000	146,928
COVID-19 emergency management	<u>370,877</u>	<u>492,978</u>
	<u>\$ 706,963</u>	<u>\$ 1,025,307</u>

5. Retirement Plan

The Organization provides a simple IRA self-directed defined contribution retirement plan (the Plan) to its eligible full-time employees and contributes a match of up to 3% of annual base pay to the Plan. All contributions are immediately 100% vested. The Plan is administered by a third party administrator. For the years ended June 30, 2021 and 2020, retirement expense of \$8,296 and \$7,916 was incurred by the Organization, respectively.

6. Related Party Transactions

In the normal course of business, the Organization remits food donations to its member food banks. Representatives from these food banks serve as board members to the Organization.

Feeding Florida, Inc.

Notes to Financial Statements

7. Unearned Grant Revenue

Unearned grant revenue is comprised of the following grant awards:

	June 30,	
	<u>2021</u>	<u>2020</u>
United States Department of Agriculture Food Insecurity Nutrition Incentive	\$ 392,234	\$ -

The following table provides significant changes in unearned revenue for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Unearned revenue, beginning of year	\$ -	\$ -
Net grant revenue deferred	<u>392,234</u>	<u>-</u>
Unearned revenue, end of year	<u><u>\$ 392,234</u></u>	<u><u>\$ -</u></u>

Other Reports

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

Board of Directors
Feeding Florida, Inc.

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, the financial statements of Feeding Florida, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 8, 2022

Report of Independent Auditors on Compliance for Each Major Federal Program and State Project; Internal Control Over Compliance; and Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*

Board of Directors
Feeding Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

We have audited Feeding Florida, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Florida Department of Financial Service's State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal program or state project for the year ended June 30, 2021. The Organization's major federal program and state project is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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) and Chapter 10.650, *Rules of the Auditor General*. Those standards and the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization 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 program and state project identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 or state project 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 or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 8, 2022

Feeding Florida, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2021

<u>Grantor and Program Title</u>	<u>CFDA or CSFA Number</u>	<u>Grant Contract Number</u>	<u>Total Expenditures</u>
Federal Awards			
<u>U.S. Department of Agriculture</u>			
Food Insecurity Nutrition Incentive	10.331	1015925	\$ 1,661,071
Total Expenditures of Federal Awards			\$ 1,661,071
State Financial Assistance			
<u>Florida Department of Agriculture and Consumer Services</u>			
FL-DACS Contractual Services Agreement	42.019	27108	\$ 1,700,000
<u>Florida Department of Highway Safety and Motor Vehicles</u>			
Imagine Specialty License Plate	76.077		335,590
End Hunger Auto Tag Voluntary Contribution	76.127		62,854
Total Expenditures of State Financial Assistance			\$ 2,098,444
Total Awards			\$ 3,759,515

Note 1 - This Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State grant activity of Feeding Florida, Inc. for the year ended June 30, 2021, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*.

Note 2 - Amounts included on this Schedule include only the expenditure of Federal Awards and State Financial Assistance received directly from an awarding agency. The amounts on the accompanying statements of activities and changes in net assets include additional expenditures associated with other resources committed by the Organization for purposes of fulfilling the grant program.

Note 3 - The Organization has elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance for federal awards.

See report of independent auditors.

Feeding Florida, Inc.

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Projects

Type of auditor's report issued on compliance for major federal programs or state projects?	Unmodified
Internal control over major federal programs or state projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or Chapter 10.656, Rules of the Auditor General?	No

Identification of major federal programs or state projects:

Federal Program

<u>CFDA Number</u>	<u>Name of federal program</u>
10.331	Food Insecurity Nutrition Incentive

State Project

<u>CSFA Number</u>	<u>Name of state project</u>
42.019	FL-DACS Contractual Services Agreement

Dollar threshold used to distinguish between Type A and Type B federal programs:	\$750,000
Dollar threshold used to distinguish between Type A and Type B state projects:	\$300,000
Auditee qualified as low-risk auditee pursuant to Uniform Guidance?	Yes

See report of independent auditors.

Feeding Florida, Inc.

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies, and/or control deficiencies required to be reported in accordance with *Government Auditing Standards*.

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards - We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

State Financial Assistance Awards - We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the State of Florida, Chapter 10.656.

Section IV -- Other Matters

No prior audit findings.

See report of independent auditors.