

FARM SHARE, INC.
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**
JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position.	4
Statement of Activities June 30, 2022.	5
Statement of Activities June 30, 2021.	6
Statement of Functional Expenses June 30, 2022.	7
Statement of Functional Expenses June 30, 2021.	8
Statements of Cash Flows.	9
Notes to Financial Statements.	10-17
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	18
Schedule of State Financial Assistance	19
Notes to Schedules of Expenditure of Federal Awards and State Financial Assistance.	20
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General.	23-25
Schedule of Findings and Questioned Costs – Federal Programs and State Projects.	26-27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Farm Share, Inc.
Homestead, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Farm Share, Inc., (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in 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 for Opinion

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. 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 the Organization and to meet our other ethical responsibilities in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 generally accepted auditing standards 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 generally accepted auditing standards 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by 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* of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation 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 November 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 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.

Verdeja De Armas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
November 8, 2022

FARM SHARE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		2022	2021
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,064,181	\$ 4,641,958
Accounts and grants receivable		1,637,884	1,491,880
Inventory		6,647,871	6,256,821
Prepaid expenses and other assets		212,115	104,591
TOTAL CURRENT ASSETS		<u>9,562,051</u>	<u>12,495,250</u>
INVESTMENTS		8,930,486	8,009,135
PROPERTY AND EQUIPMENT, net		<u>3,447,343</u>	<u>2,673,056</u>
TOTAL ASSETS		<u><u>\$ 21,939,880</u></u>	<u><u>\$ 23,177,441</u></u>
 LIABILITIES AND NET ASSETS 			
LIABILITIES			
Accounts payable and accrued expenses		<u>\$ 320,997</u>	<u>\$ 330,096</u>
TOTAL CURRENT LIABILITIES		<u>320,997</u>	<u>330,096</u>
NET ASSETS			
Without donor restriction		<u>21,618,883</u>	<u>22,847,345</u>
TOTAL NET ASSETS		<u>21,618,883</u>	<u>22,847,345</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 21,939,880</u></u>	<u><u>\$ 23,177,441</u></u>

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restriction</u>
REVENUE AND SUPPORT	
Operations:	
Government grants and contracts	\$ 11,619,471
Contributions	602,694
Total operating revenue and support	<u>12,222,165</u>
In-kind contributions:	
Contributed food and goods	177,342,345
Donated facilities and services	836,436
Total in-kind contributions	<u>178,178,781</u>
 TOTAL REVENUE AND SUPPORT	 <u>190,400,946</u>
EXPENSES	
Operations:	
Program services:	
Transportation and distribution costs	11,244,419
Total program services	<u>11,244,419</u>
Supporting services:	
Management and general	252,906
Fundraising and development	912,749
Total supporting services	<u>1,165,655</u>
Total operating costs	12,410,074
In-kind distributions:	
Distributed food and goods	176,951,295
Donated facilities and services	836,436
Total in-kind distributions	<u>177,787,731</u>
 TOTAL EXPENSES	 <u>190,197,805</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	
From operations/monetary	(187,909)
From in-kind/non-monetary	391,050
TOTAL CHANGES IN NET ASSETS BEFORE OTHER INCOME	<u>203,141</u>
OTHER INCOME	
Interest and dividend income	223,304
Investment income	(1,663,173)
Miscellaneous income	8,266
TOTAL OTHER INCOME	<u>(1,431,603)</u>
CHANGE IN NET ASSETS	
From operations/monetary	(1,619,512)
From in-kind/non-monetary	391,050
TOTAL CHANGES IN NET ASSETS	<u>(1,228,462)</u>
NET ASSETS - BEGINNING OF YEAR	<u>22,847,345</u>
NET ASSETS - END OF YEAR	<u>\$ 21,618,883</u>

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restriction</u>
REVENUE AND SUPPORT	
Operations:	
Government grants and contracts	\$ 10,313,049
Contributions	1,095,668
Program Income	221,306
Total operating revenue and support	<u>11,630,023</u>
In-kind contributions:	
Contributed food and goods	207,404,874
Donated facilities and services	827,597
Total in-kind contributions	<u>208,232,471</u>
TOTAL REVENUE AND SUPPORT	<u>219,862,494</u>
EXPENSES	
Operations:	
Program services:	
Transportation and distribution costs	8,866,628
Total program services	<u>8,866,628</u>
Supporting services:	
Management and general	266,109
Fundraising and development	613,972
Total supporting services	<u>880,081</u>
Total operating costs	9,746,709
In-kind distributions:	
Distributed food and goods	210,457,466
Donated facilities and services	827,597
Total in-kind distributions	<u>211,285,063</u>
TOTAL EXPENSES	<u>221,031,772</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	
From operations/monetary	1,883,314
From in-kind/non-monetary	(3,052,592)
TOTAL CHANGES IN NET ASSETS BEFORE OTHER INCOME	<u>(1,169,278)</u>
OTHER INCOME	
Interest and dividend income	118,637
Investment income	1,455,615
Miscellaneous income	434,648
TOTAL OTHER INCOME	<u>2,008,900</u>
CHANGE IN NET ASSETS	
From operations/monetary	3,892,214
From in-kind/non-monetary	(3,052,592)
TOTAL CHANGES IN NET ASSETS	<u>839,622</u>
NET ASSETS - BEGINNING OF YEAR	<u>22,007,723</u>
NET ASSETS - END OF YEAR	<u>\$ 22,847,345</u>

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

Description	Transportation and Distribution	Supporting Services		Total
		Management and General	Fundraising and Development	
Salaries, taxes, and benefits	\$ 4,091,771	\$ 84,347	\$ 241,133	\$ 4,417,251
Professional fees	120,437	33,881	146,756	301,074
Trucking and hauling	2,927,947	-	-	2,927,947
Storage and warehouse	183,091	-	-	183,091
Fuel, oil and propane	745,894	-	-	745,894
Repairs and maintenance	724,160	-	-	724,160
Lease transportation	21,617	-	-	21,617
Other transportation and distribution	239,106	-	-	239,106
Insurance	280,768	5,730	-	286,498
Rent	521,367	10,640	-	532,007
Utilities	401,392	8,192	-	409,584
Information technology costs	210,393	4,294	-	214,687
Office supplies and equipment	86,939	1,775	-	88,714
Taxes, licenses and fees	-	89,975	-	89,975
Outreach and development	-	-	524,860	524,860
Depreciation expense	689,537	14,072	-	703,609
TOTAL	\$ 11,244,419	\$ 252,906	\$ 912,749	\$ 12,410,074

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

Description	Transportation and Distribution	Supporting Services		Total
		Management and General	Fundraising and Development	
Salaries, taxes, and benefits	\$ 2,855,606	\$ 54,410	\$ 144,886	\$ 3,054,902
Professional fees	150,204	123,964	131,732	405,900
Trucking and hauling	1,945,143	-	-	1,945,143
Storage and warehouse	109,528	-	-	109,528
Fuel, oil and propane	496,725	-	-	496,725
Repairs and maintenance	514,225	-	-	514,225
Lease transportation	11,917	-	-	11,917
Other transportation and distribution	1,267,485	-	-	1,267,485
Insurance	264,381	5,396	-	269,777
Rent	259,130	5,288	-	264,418
Utilities	337,274	6,883	-	344,157
Information technology costs	78,403	1,600	-	80,003
Office supplies and equipment	46,761	954	-	47,715
Marketing and promotion	-	-	337,354	337,354
Taxes, licenses and fees	-	56,801	-	56,801
Depreciation expense	529,846	10,813	-	540,659
TOTAL	\$ 8,866,628	\$ 266,109	\$ 613,972	\$ 9,746,709

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,228,462)	\$ 839,622
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	703,609	540,659
Unrealized and realized (gains) losses on investments, net	1,776,653	(1,455,615)
Forgiveness of paycheck protection plan	-	(410,561)
(Increase) decrease in assets:		
Accounts and grants receivable	(146,004)	1,764,404
Inventory	(391,050)	3,052,592
Prepaid expenses	(107,524)	(10,382)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(9,099)	113,502
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>598,123</u>	<u>4,434,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,477,896)	(774,833)
Purchases of investment securities, net	<u>(2,698,004)</u>	<u>(486,295)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,175,900)</u>	<u>(1,261,128)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,577,777)	3,173,093
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,641,958</u>	<u>1,468,865</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,064,181</u>	<u>\$ 4,641,958</u>

The accompanying notes are an integral part of these financial statements.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Farm Share, Inc. (the “Organization”) (“Farm Share”) is a non-profit organization and was incorporated under the laws of the State of Florida on July 8, 1992 as a 501(c)(3) corporation that is tax-exempt under the provision of the Internal Revenue Code. The Organization’s mission is to alleviate hunger and fight poverty by recovering and distributing healthy and nutritious fruits, vegetables, proteins and other non-perishable food to Florida families, children, seniors and individuals in need. The goal of the Organization is that no Floridian goes hungry and no food goes to waste.

Farm Share recovers and distributes more than 100 million pounds of food throughout the state of Florida utilizing its network of nearly 2,000 partner agencies and fleet of semi-trucks and refrigerated box trucks. This is the equivalent of more than 83 million meals. Approximately 90% of Farm Share’s food is distributed through its partner agency network. Farm Share also holds more than 600 annual direct Community Food Distribution Events that focus on distributing healthy and nutritious food-to-food desert communities statewide. Farm Share accomplishes all of this while managing to keep its administrative costs at less than 1% of the value of all donations received annually.

In addition to the more than 100 million pounds of food that passes through its warehouses each year, Farm Share also helps generate on average more an additional 10 million pounds of non-perishable food products as a result of its partnership with the National Association of Letter Carriers. Farm Share helps to logistically plan, coordinate, market and promote this one-day food drive that generates millions of pounds of food that is collected and distributed locally by partner agencies.

Farm Share is the statewide leader in acquiring and distributing healthy and nutritious fresh fruits and vegetables to persons in need. Thanks to its relationships and partnerships with Florida’s farmers, the Organization was able to recover nearly 25 million pounds of fruits and vegetables each year that would otherwise not make it to market and be thrown away. This is a win/win for the farmers, hungry Floridians and the environment.

Farm Share also distributes all of its fruits, vegetables, canned goods and proteins free of charge to both its partner agencies and individuals and families in need. Other food banks charge a shared maintenance fee and/or delivery fee as a condition of receiving their food. These costs can make it impossible for local soup kitchens, food pantries, church organizations and others to acquire this food to feed their communities. This especially affects those agencies serving the poorest communities that are in the most need. By not charging any fees, Farm Share is able to make sure these communities continue to be fed and have access to life sustaining food.

Lastly, Farm Share is also a leader in disaster relief operations. During times of natural or man-made disasters, Farm Share is a first responder organization that provides immediate food, water and other disaster supplies to the affected communities. During Hurricane Irma and Michael, Farm Share provided more than 1.8 and 2.1 million pounds of these supplies within the first 10-13 days after landfall. During the COVID-19 pandemic, Farm Share distributed more than 4 million pounds of food weekly during the pandemic’s peak and more than 135 million pounds of food during the 12 months from March 2020 to March 2021. Most recently Farm Share provided life sustaining food, water and disaster relief supplies to communities affected by Hurricane Ian. Farm Share had six (6) semi-trucks in affected areas the day after Ian made landfall. Within 10 days we had delivered over 48 semi-trucks full of aid.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

Due to the nature of the Organization's food banking activities, a large portion of its revenue and expenses result from contributed food and other goods and their subsequent distribution. Contributed food and goods on-hand at the end of the fiscal year are held as inventory. Depending on the timing of these contributions and distributions, this fluctuation in inventory can create large non-monetary gains and losses from fiscal year to fiscal year. This presentation has been segregated in the body of the financial statements to better disclose the nature of these monetary and non-monetary activities.

Basis of Presentation

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

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

- *Net assets without donor restriction*: The portion of the net assets of the Organization that is subject only to the broad limits resulting from the nature of the organization, the environment where it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources.
- *Net assets with donor restriction*: The portion of the net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization's choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor's instructions.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid short-term investments with remaining maturities at date of purchase of three months or less. Cash equivalents include investments in money market funds that are carried at cost plus accrued interest, which approximates fair value.

The Organization maintains separate bank accounts as required by grantors.

Concentrations of Credit Risk

The Organization maintains cash deposits with certain financial institutions, which at times, may exceed federally insured limits.

Accounts and Grants Receivable

Accounts and grants receivable expected to be received within one year are recorded at their net realizable value. Grants receivable that are expected to be received in future years, if any, are recorded at fair value, using present value techniques and applicable discount rates. Management individually reviews accounts and grants receivable balances on a regular basis to determine collectability and estimates the portion of the balances that will not be collected, if any. As of June 30, 2022 and 2021, all amounts are considered collectable and no allowance for uncollectible accounts and grants receivable has been recorded.

At June 30, 2022 and 2021, grants receivable from two grantors, respectively, accounted for 100% of total grants receivable.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

Investments

The Organization's investments are reported at their fair values in the statement of financial position. Investment income, including realized and unrealized gains and losses, interest and dividend income and investment expenses are included in the statements of activities. Market risk is inherent and is dependent on the future changes in market prices of the various investments held.

Inventory

Inventory is comprised of donated goods received, but not yet distributed, which are recorded at fair value. The approximate average value of one pound of donated product, which was determined to be \$1.75 during both fiscal years ended 2022 and 2021, respectively, were based upon the average cost per pound of a mixed basket of supermarket goods similar to those received by the Organization.

Property and Equipment

Property and equipment is recorded at cost, if purchased, and at fair value if donated. The Organization capitalizes additions of property and equipment in excess of \$1,000 cost. Expenditures for major improvements are charged to the asset accounts while replacements, maintenance and repairs, which do not extend the lives of the respective assets, are charged to expense when incurred.

Depreciation and Amortization

Depreciation and amortization is determined using the straight-line method over the estimated useful lives of the assets which range between five and thirty-nine years. Amortization of leasehold improvements is computed on the straight-line method over the shorter of the estimated useful lives of the assets or the term of leases.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized to the extent the carrying amount of the impaired asset exceeds fair value. Management's assessment of the recoverability of long-lived assets includes, but is not limited to, future expected discounted cash flows, external appraisals, and management's plans for future use. There was no impairment loss recorded during the years ended June 30, 2022 and 2021.

Revenue Recognition

All revenues and support are recorded in accordance with either ASC 958, *Not-for-Profit Entities* as contributions with or without donor restrictions or in accordance with ASC 606, *Revenue from Contracts with Customers*.

Grants and Contributions

Revenues and public support are comprised primarily of grant funding received from various federal and state grants, companies, and individual donations; these amounts are considered to be available for unrestricted use unless specifically restricted by the agreement, grantor, or donor.

Donated Goods and Services

Donated goods received are recorded at fair value as unrestricted revenue. As the goods are distributed to member agencies, inventory is reduced and expensed as food distributions in the accompanying statement of activities.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

Donated Goods and Services (Continued)

During the years ended June 30, 2022 and 2021, the Organization received and distributed approximately 100 million pounds and 119 million pounds of donated goods, respectively. The approximate average value of one pound of donated product during 2022 and 2021 was \$1.75 and \$1.75, respectively. The estimate is based on the average cost per pound of a mixed basket of supermarket goods similar to those received by the Organization.

Donated services are recognized as contributions if the services: a) create or enhance nonfinancial assets, and b) require specialized or hired skills and are performed by people with those skills that would otherwise be purchased by the Organization.

Functional Expense Allocation

Expenses directly attributable to providing various programs and activities are allocated to the Organization's programs, fundraisers and supporting services. Indirect expenses are allocated to programs, management and general, and fundraising and development based on a reasonable method of determining their appropriate share of the total. The allocation of costs on a functional basis is based on management's estimates.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the years ended June 30, 2022 and 2021, advertising and promotion expenses amounted to approximately \$499,000 and \$324,000 respectively.

Income Taxes

The Organization has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3) as a non-profit corporation. Certain activities not directly related to the Organization's tax-exempt purpose could be subject to taxation as unrelated business income; however, a provision for unrelated business income tax was not required.

The Organization assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Organization's major tax jurisdictions. Generally, the Organization is no longer subject to income tax examinations by major taxing authorities for years before fiscal year 2019.

The Organization assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Organization records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Organization believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Use of Estimates in the Preparation of Financial Statements

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 as of the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 - INVESTMENTS

Market values of investments are summarized as follows at June 30, 2022 and 2021:

Description	2022	2021
Assets:	Market Value	Market Value
Investment Securities:		
Equity	\$ 5,366,522	\$ 5,761,265
Bonds	2,811,576	2,052,261
Money market funds	6,411	6,409
Exchange traded funds	745,977	189,200
Total investment securities	\$ 8,930,486	\$ 8,009,135

Investments are held by an investment custodian engaged by the Organization who invests the funds based on the Organization's investment policy. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization and its beneficiaries.

The components of total investment return relating to investments are reflected below for the years ended June 30, 2022 and 2021:

	2022	2021
Dividends and interest income	\$ 223,304	\$ 118,636
Net realized and unrealized investment (losses) income	(1,663,173)	1,455,615
	\$ (1,439,869)	\$ 1,574,251

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization classified its investments as of June 30, 2022 and 2021, based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available.

The three-level valuation hierarchy is established for the measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical investments that the entity has the ability to access at the measurement date.

Level 2 – 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, or inputs that are observable, either directly or indirectly, for substantially the full term of the assets or liability.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, the inputs are supported by little or no market activity).

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Equity Fund, Fixed Income and Mutual Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets measured at fair value on a recurring basis as of June 30, 2022 and 2021:

Description	Fair Value Measurement at June 30, 2022		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investment Securities:			
Equity	\$ 5,366,522	\$ 5,366,522	\$ -
Bonds	2,811,576	2,811,576	-
Money market funds	6,411	6,411	-
Exchange Traded Funds	745,977	745,977	-
Total investment securities	<u>\$ 8,930,486</u>	<u>\$ 8,930,486</u>	<u>\$ -</u>

Description	Fair Value Measurement at June 30, 2021		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investment Securities:			
Equity	\$ 5,761,265	\$ 5,761,265	\$ -
Bonds	2,052,261	2,052,261	-
Money market funds	6,409	6,409	-
Exchange traded funds	189,200	189,200	-
Total investment securities	<u>\$ 8,009,135</u>	<u>\$ 8,009,135</u>	<u>\$ -</u>

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 1,585,989	\$ 1,466,833
Furniture and equipment	2,565,479	1,699,098
Vehicles	<u>4,301,721</u>	<u>3,809,362</u>
Total	8,453,189	6,975,293
Less: accumulated depreciation	<u>5,005,846</u>	<u>4,302,237</u>
	<u>\$ 3,447,343</u>	<u>\$ 2,673,056</u>

Depreciation expense on property and equipment amounted to approximately \$703,609 and \$540,659 for the years ended June 30, 2022 and 2021, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

In January 2019, the Organization entered into a new Personal Services Agreement, for a term of five years, with automatic renewal for additional terms of five years, subject to review by the Board of Directors. The agreement is for consulting services payable to the Organization's founder. For the years ended June 30, 2022 and 2021, the Organization paid approximately \$150,000 and \$168,900, respectively, for consulting services in accordance with the agreement.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Organization receives a substantial amount of its support from grants from federal, state and local government agencies. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's services and activities. Certain contracts and grants received by the Organization are subject to audit or review by the grantor. As a result, of these audits or reviews, the Organization may be required to repay a portion of grant or contract funds received. However, management does not believe any liability related to its grants and contracts would be material.

The Organization leases warehouse facilities located in Oakland Park, FL and Jacksonville, FL that expire June 2026 and June 2024.

The following is a schedule of all future minimum lease payments:

2023	437,293
2024	455,831
2025	276,513
2026	257,600
2027	-
	<u>1,427,237</u>

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 8, 2022, which is the date the accompanying financial statements were available to be issued.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,064,181	\$ 4,641,958
Accounts and grants receivable	<u>1,637,884</u>	<u>1,491,880</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,702,065</u>	<u>\$ 6,133,838</u>

The Organization has available investments of \$8,930,486 and \$8,009,135, respectively. These resources are invested for long-term appreciation and current income but may be spent at the discretion of the Board.

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues.

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization maintains a pooled employer 401(k) profit sharing employee benefit plan (the “Plan”) covering all employees. Under the Plan, all employees are eligible to participate after three months of employment. Employee contributions to the Plan are elective. Discretionary matching contributions may be made to the plan by the Organization. For the year ended June 30, 2022 the Organization recorded no matching contributions and employee elective contributions had a value of \$50,137.

NOTE 10 – COVID-19 PANDEMIC AND GEOPOLITICAL RISKS

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was severely impacted for months and may continue to impact the economy. In addition, certain geopolitical risks abroad are causing inflationary pressures, energy price increases, and supply chain disruption. Accordingly, the extent to which COVID-19 may impact the Organization’s balance sheet, related statements of activities, and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTARY INFORMATION

FARM SHARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Pass-through to Subrecipients</i>	<i>Total Federal Expenditures</i>
United States Department of Agriculture				
<i>Pass-through State of Florida Department of Agriculture and Consumer Services</i>				
Emergency Food Assistance Program (Administrative Costs)	10.568	27867/28190/27875/26928/22745/28208/27868/28192/27869/28152/27865/28206/27866/26929/22746/28207	\$ -	\$ 5,543,389
Emergency Food Assistance Program (Food Commodities)	10.569	27867/28190/27875/26928/22745/28208/27868/28192/27869/28152/27865/28206/27866/26929/22746/28207	\$ -	\$ 38,572,220
<i>Total Expenditures of Federal Awards</i>			\$ -	\$ 44,115,609

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

**FARM SHARE, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

<i>State Grantor/Pass-through Grantor/Project Title</i>	<i>State Assistance Listing Number</i>	<i>Grant Award Number</i>	<i>Pass-through to Subrecipients</i>	<i>Total State Financial Assistance</i>
State of Florida Department of Agriculture and Consumer Services				
Food Recovery/Farm Share Inc.	42.004	27887	\$ -	\$ 5,000,000
<i>Total State Financial Assistance</i>			\$ -	\$ 5,000,000

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

FARM SHARE, INC.

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A- BASIS OF PRESENTATION

The Schedules of Expenditures and Federal Awards and State Financial Assistance (the “Schedules”) include the Federal and State awards activity of the Organization under programs of the federal and state government for the year ended June 30, 2022.

The information in the Schedules are 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* (Uniform Guidance) and the Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance*. Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Farm Share, 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 Farm Share, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated November 8, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja De Armas Trujillo & Alvarez, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
November 8, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Farm Share, Inc.
Homestead, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Farm Share, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2022. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Farm Share, 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 and state projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

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; 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. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 and state project. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs and state projects.

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 the Organization'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General 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 the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 the Organization'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 the Organization'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, and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 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.

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

Verdeja De Armas Trujillo & Alvaray, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
November 8, 2022

**FARM SHARE, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND
 STATE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2022**

Financial Statements

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

Internal control over financial reporting:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards and State Projects

Type of auditor's report issued on compliance for major Federal programs and State projects: *Unmodified*

Internal control over major Federal programs and State projects:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified? yes none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.656, *Rules of the Auditor General*? yes no

Identification of major Federal programs and State projects:

Federal Program/State Project or Cluster	Assistance Listing Number	Expenditures
<u>U.S. Department of Agriculture</u>		
Emergency Food Assistance Program (Administrative Costs)	10.568	\$5,543,389
Emergency Food Assistance Program (Food Commodities)	10.569	\$38,572,220
<u>State of Florida Department of Agriculture and Consumer Services</u>		
Food Recovery/Farm Share, Inc.	42.004	\$5,000,000

FARM SHARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND
STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguish between Type A
and Type B federal programs: \$ 1,323,468

Auditee qualified as low-risk auditee pursuant to the
Uniform Guidance? (Not applicable for State
projects) X yes no

Dollar threshold used to distinguished between Type
A and Type B state projects: \$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

**SECTION III – FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS
AND STATE PROJECTS**

The audit disclosed no matters that are reportable in accordance with 2 CFR 200.516(a) or Chapter 10.656
during the year ended June 30, 2022.

SECTION IV – OTHER ISSUES

1. No management letter is required because there were no findings required to be reported in the management letter (Section 10.656 (3)(e), Rules of the Auditor General) for the year ended June 30, 2022.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to Federal programs or State projects, (Section 10.656 (3)(d)(5), Rules of the Auditor General).
3. No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance or the Department of Financial Services' *State Project Compliance Supplement*.