

Feeding Florida, Inc.
 Financial Statements
 and Other Financial Information
 Years ended June 30, 2022 and 2021

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Report of Independent Auditors

Board of Directors of
Feeding Florida, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Feeding Florida, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Feeding Florida, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2022. 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 that collectively comprise the Organization's financial statements. The 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* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*, 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information 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 29, 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 Organization's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
January 20, 2023

Feeding Florida, Inc.

Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,870,434	\$ 1,735,168
Contracts and grants receivable	818,611	1,120,025
Prepaid expenses	<u>5,483</u>	<u>2,765</u>
Total current assets	2,694,528	2,857,958
Total assets	<u>\$ 2,694,528</u>	<u>\$ 2,857,958</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 279,878	\$ 485,208
Deferred revenue	<u>-</u>	<u>392,234</u>
Total liabilities	<u>279,878</u>	<u>877,442</u>
Net assets:		
Without donor restrictions	1,679,687	1,273,553
With donor restrictions	<u>734,963</u>	<u>706,963</u>
Total net assets	<u>2,414,650</u>	<u>1,980,516</u>
Total liabilities and net assets	<u>\$ 2,694,528</u>	<u>\$ 2,857,958</u>

See accompanying notes.

Feeding Florida, Inc.

Statements of Activities and Changes in Net Assets

	Years ended June 30,			2021
	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenues and other support:				
Grants and awards governmental	\$ 2,109,823	\$ 1,311,084	\$ 3,420,907	\$ 3,801,495
Grants and awards non-governmental	10,000	370,000	380,000	35,000
Out of State Farmers Feeding Florida	1,562,975	-	1,562,975	1,313,249
In State Farmers Feeding Florida	5,617,909	-	5,617,909	4,060,890
Contributions	237,304	-	237,304	465,641
Logistics fees	95,568	-	95,568	74,577
Membership dues	41,439	-	41,439	40,239
Interest and other income	37,514	-	37,514	(2,866)
Emergency management	-	-	-	102,268
Net assets released from restrictions	<u>1,653,084</u>	<u>(1,653,084)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>11,365,616</u>	<u>28,000</u>	<u>11,393,616</u>	<u>9,890,493</u>
Expenses:				
Program services:				
Farmers Feeding Florida	8,887,319	-	8,887,319	7,867,018
Advocacy	236,809	-	236,809	180,333
Disaster preparedness	459,687	-	459,687	288,123
Gus Schumacher COVID Relief and Response	623,089	-	623,089	-
Food Insecurity Nutrition Incentive	383,304	-	383,304	1,634,775
Professional/development	295,059	-	295,059	242,277
General and administrative	74,215	-	74,215	108,326
Total expenses	<u>10,959,482</u>	<u>-</u>	<u>10,959,482</u>	<u>10,320,852</u>
Change in net assets	406,134	28,000	434,134	(430,359)
Net assets at beginning of year	<u>1,273,553</u>	<u>706,963</u>	<u>1,980,516</u>	<u>2,410,875</u>
Net assets at end of year	<u>\$ 1,679,687</u>	<u>\$ 734,963</u>	<u>\$ 2,414,650</u>	<u>\$ 1,980,516</u>

See accompanying notes.

Feeding Florida, Inc.
Statements of Functional Expenses

Years ended June 30,
2022

2021

Functional expenses:	2022									Total
	Farmers Feeding Florida	Advocacy	Disaster Preparedness	Gus Schumacher COVID Relief and Response	Food Insecurity Nutrition Incentive	Total Program Services	Professional/Development	General and Administrative	Total	
Accounting fees	\$ 47,397	\$ 32,530	\$ 6,843	\$ -	\$ -	\$ 86,770	\$ 40,759	\$ 9,614	\$ 137,143	\$ 99,836
Audit	5,944	4,080	858	-	-	10,882	5,112	1,206	17,200	17,480
Bad debt expense	-	-	-	-	-	-	-	4,625	4,625	15,744
Conference registrations	-	1,316	-	-	-	1,316	-	-	1,316	406
Consulting	484	332	70	3,710	-	4,596	416	98	5,110	27,600
Depreciation	-	-	-	-	-	-	-	-	-	195
Directors and officers insurance	1,086	746	157	-	-	1,989	934	220	3,143	2,274
Dues and subscriptions	398	273	58	-	-	729	343	81	1,153	1,559
Education and advocacy	8,640	5,930	1,248	-	-	15,818	7,430	1,752	25,000	28,667
Farmers Feeding Florida - in state subsidized	1,735,990	-	-	-	-	1,735,990	-	-	1,735,990	1,542,278
Farmers Feeding Florida - out of state	1,576,016	-	-	-	-	1,576,016	-	-	1,576,016	1,392,535
Farmers Feeding Florida - state reimbursed	5,187,076	-	-	-	-	5,187,076	-	-	5,187,076	4,315,374
Government relations	5,184	3,558	749	-	-	9,491	4,458	1,051	15,000	13,333
Incentives and awards	-	-	-	362,995	338,880	701,875	-	-	701,875	1,340,747
Licenses and fees	691	474	100	-	-	1,265	594	141	2,000	161
Marketing - auto tag	8,740	5,999	1,262	-	-	16,001	7,516	1,772	25,289	59,250
Marketing - general	20,913	14,353	3,019	6,549	2,766	47,600	17,984	4,242	69,826	42,957
Miscellaneous	848	582	122	-	-	1,552	730	171	2,453	121
Office expenses	3,108	2,133	449	4,059	525	10,274	2,673	630	13,577	16,754
Rent	6,221	4,270	898	-	-	11,389	5,350	1,261	18,000	18,000
Re-granting donations to network	-	-	410,144	-	-	410,144	-	-	410,144	244,836
Salary and benefits	221,990	152,363	32,054	233,720	41,113	681,240	190,901	45,025	917,166	797,308
Technology	2,103	1,444	304	-	-	3,851	1,809	426	6,086	371
Telephone	1,348	925	195	-	-	2,468	1,159	273	3,900	4,321
Transportation allocation	45,128	-	-	-	-	45,128	-	-	45,128	316,071
Travel staff and contractors	5,816	3,992	840	12,056	20	22,724	5,001	1,181	28,906	16,314
Website	2,198	1,509	317	-	-	4,024	1,890	446	6,360	6,360
	<u>\$ 8,887,319</u>	<u>\$ 236,809</u>	<u>\$ 459,687</u>	<u>\$ 623,089</u>	<u>\$ 383,304</u>	<u>\$ 10,590,208</u>	<u>\$ 295,059</u>	<u>\$ 74,215</u>	<u>\$ 10,959,482</u>	<u>\$ 10,320,852</u>

See accompanying notes.

Feeding Florida, Inc.
Statements of Cash Flows

	Years ended June 30,	
	2022	2021
Operating activities		
Change in net assets	\$ 434,134	\$ (430,359)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	195
Changes in operating assets and liabilities:		
Contracts and grants receivable	301,414	(652,340)
Prepaid expenses	(2,718)	1,970
Accounts payable	(205,330)	387,639
Deferred revenue	(392,234)	392,234
Net cash provided by (used in) operating activities	135,266	(300,661)
Net increase (decrease) in cash and cash equivalents	135,266	(300,661)
Cash and cash equivalents at beginning of year	1,735,168	2,035,829
Cash and cash equivalents at end of year	\$ 1,870,434	\$ 1,735,168

See accompanying notes.

Feeding Florida, Inc.

Notes to Financial Statements

Years ended June 30, 2022 and 2021

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.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Fresh Access Bucks (FAB), an initiative of the Organization, is a USDA funded statewide nutrition incentive program that increases the purchasing power of Supplemental Nutrition Assistance Program recipients to buy fresh fruits and vegetables at farmers markets, produce stands, CSAs, mobile markets, and community grocery outlets. FAB's approach to addressing food access, affordability, and nutrition education aims to work with the entire food system: from producer to consumer to build healthy, resilient communities supported by robust local food systems. The FAB program received supplemental funding through the USDA Gus Schumacher Nutrition Incentive COVID Relief and Response Grant (GusCRR) grant program.

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.

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, 2022 and 2021, all contract and grant receivables are considered by management to be fully collectible.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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.

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.

Feeding Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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.

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, 2018, and prior.

Subsequent Events

The Organization has evaluated subsequent events through January 20, 2023, the date the financial statements were available to be issued. During the period from June 30, 2022 to January 20, 2023, 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.

Feeding Florida, Inc.

Notes to Financial Statements

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,	
	2022	2021
Cash and cash equivalents	\$ 1,870,434	\$ 1,735,168
Contracts and grants receivables	818,611	1,120,025
Total	2,689,045	2,855,193
Less: Donor restricted funds	(734,963)	(706,963)
Financial assets available to meet general expenditures within one year	\$ 1,954,082	\$ 2,148,230

3. Property and Equipment

Property and equipment consist of the following at:

	June 30,	
	2022	2021
Office equipment	\$ 2,100	\$ 2,100
Less: accumulated depreciation	2,100	2,100
	\$ -	\$ -

Depreciation expense for the years ended June 30, 2022 and 2021 was \$0 and \$195, respectively.

4. Net Assets

Net assets with donor restrictions consist of 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.

Feeding Florida, Inc.

Notes to Financial Statements

4. Net assets (continued)

Net assets with donor restrictions consist of the following:

	June 30,	
	2022	2021
Hurricane emergency management	306,086	306,086
Florida Blue Foundation	-	30,000
COVID-19 emergency management	358,877	370,877
Feeding America grant	70,000	-
	\$ 734,963	\$ 706,963

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, 2022 and 2021, retirement expense of \$9,442 and \$8,296 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.

7. Unearned Grant Revenue

Unearned grant revenue is comprised of the following grant awards:

	June 30,	
	2022	2021
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:

	2022	2021
Unearned revenue, beginning of year	\$ 392,234	\$ -
Net grant revenue (recognized) deferred	(392,234)	392,234
Unearned revenue, end of year	\$ -	\$ 392,234

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, 2022, 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 January 20, 2023.

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 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
January 20, 2023

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

Opinion on Each Major Federal Program and State Project

We have audited Feeding Florida, 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 *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 and state project for the year ended June 30, 2022. The Organization's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state project 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and 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 program and state project.

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 GAAS, *Government Auditing Standards*, and 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 GAAS, *Government Auditing Standards*, and 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.

Page Three

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 and 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 and 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 and 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
January 20, 2023

Feeding Florida, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2022

<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	\$ 400,269
Gus Schumacher Nutrition Incentive COVID-19 Relief and Response	10.331	13362063	644,582
Total Expenditures of Federal Awards			<u>\$ 1,044,851</u>
State Financial Assistance			
<u>Florida Department of Agriculture and Consumer Services</u>			
FL-DACS Contractual Services Agreement	42.019	27108	\$ 2,000,000
<u>Florida Department of Highway Safety and Motor Vehicles</u>			
Imagine Specialty License Plate	76.077		305,502
End Hunger Auto Tag Voluntary Contribution	76.127		40,448
<u>Florida Department of Health</u>			
Supplemental Nutrition Assistance Programming Education	10.561		4,067
Total Expenditures of State Financial Assistance			<u>\$ 2,350,017</u>
Total Awards			<u>\$ 3,394,868</u>

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, 2022, 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
Relating to Federal Awards and State Financial Assistance

Year ended June 30, 2022

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 10.650, 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	Gus Schumacher Nutrition Incentive COVID-19 Relief and Response

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

Feeding Florida, Inc.

Schedule of Findings and Questioned Costs
Relating to Federal Awards and State Financial Assistance

Year ended June 30, 2022

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 10.650.

Section IV -- Other Matters

No prior audit findings.

See report of independent auditors.