

All Faiths Food Bank, Inc.

Financial Statements

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
All Faiths Food Bank, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of All Faiths Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of All Faiths Food Bank, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 All Faiths Food Bank, Inc. 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 All Faiths Food Bank, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 All Faiths Food Bank, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about All Faiths Food Bank, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 April 30, 2023, on our consideration of All Faiths Food Bank, Inc.'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 All Faiths Food Bank, Inc.'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 All Faiths Food Bank, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited All Faiths Food Bank, Inc.'s 2021 financial statements, and our report dated April 30, 2023 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Cammy, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida
April 30, 2023

All Faiths Food Bank, Inc.

Statement of Financial Position

December 31, 2022

(with comparative totals for 2021)

ASSETS

	2022		Total	2021
	Without Restrictions	With Restrictions		
Current assets:				
Cash and cash equivalents				
Available for operations	\$ 9,797,875	-	9,797,875	6,508,547
Board designated	2,943,433	-	2,943,433	5,000,000
Donor restricted	-	1,402,945	1,402,945	3,324,754
Total cash and cash equivalents	12,741,308	1,402,945	14,144,253	18,056,306
Investments	7,423,730	-	7,423,730	-
Contributions receivable	24,738	-	24,738	179,158
Grants and contracts receivable	-	-	-	296,226
Inventory	597,487	736,730	1,334,217	989,680
Prepays expenses and deposits	168,212	-	168,212	177,142
Total current assets	20,955,475	2,139,675	23,095,150	19,698,512
Property and equipment, net	6,994,422	-	6,994,422	7,039,105
Other assets:				
Investments - Legacy Fund	4,588,813	-	4,588,813	5,444,009
Right of use asset	17,368	-	17,368	18,450
Total assets	\$ 32,556,078	2,139,675	34,695,753	32,200,076

LIABILITIES AND NET ASSETS

Current liabilities:				
Accounts payable	\$ 329,338	-	329,338	439,345
Accrued liabilities	198,279	-	198,279	349,026
Lease obligation - current portion	7,638	-	7,638	4,685
Total current liabilities	535,255	-	535,255	793,056
Lease obligation - less current portion	10,231	-	10,231	17,869
Total liabilities	545,486	-	545,486	810,925
Net assets:				
Without donor restrictions				
For operations	9,427,357	-	9,427,357	12,245,377
Board designated Reserve	10,000,000	-	10,000,000	5,000,000
Legacy Fund	4,588,813	-	4,588,813	5,444,009
Land development	1,000,000	-	1,000,000	-
Property and equipment	6,994,422	-	6,994,422	7,039,105
With donor restrictions	-	2,139,675	2,139,675	1,660,660
Total net assets	32,010,592	2,139,675	34,150,267	31,389,151
Total liabilities and net assets	\$ 32,556,078	2,139,675	34,695,753	32,200,076

See accompanying notes to financial statements.

All Faiths Food Bank, Inc.

Statement of Activities and Changes in Net Assets
 Year Ended December 31, 2022
 (with comparative totals for 2021)

	2022			
	Without Restrictions	With Restrictions	Total	2021
Revenue and support:				
<u>Revenue</u>				
Maintenance fee and food cost recovery \$	2,244,156	-	2,244,156	1,870,588
Investment earnings (losses), net	(746,848)	-	(746,848)	587,839
Miscellaneous	73,853	-	73,853	10,618
Total revenues	1,571,161	-	1,571,161	2,469,045
<u>Support</u>				
Value of contributed inventory	-	28,868,358	28,868,358	23,029,312
Contributions - general	8,134,976	3,699,280	11,834,256	12,028,174
Special events	225,880	-	225,880	62,200
Grants				
Federal	-	108,781	108,781	647,898
Local	296,229	-	296,229	204,405
Other	2,283,888	1,505,366	3,789,254	2,898,709
Total support	10,940,973	34,181,785	45,122,758	38,870,698
Net assets released from restrictions:				
Value of contributed food distributed	28,560,801	(28,560,801)	-	-
Other net assets released	5,141,969	(5,141,969)	-	-
Total revenues, gains and support	46,214,904	479,015	46,693,919	41,339,743
Expenses:				
Program services	40,899,673	-	40,899,673	33,449,308
Management and administrative	1,625,165	-	1,625,165	1,408,987
Fund development	1,407,965	-	1,407,965	1,339,152
Total expenses	43,932,803	-	43,932,803	36,197,447
Change in net assets	2,282,101	479,015	2,761,116	5,142,296
Net assets at beginning of year	29,728,491	1,660,660	31,389,151	26,246,855
Net assets at end of year	\$ 32,010,592	2,139,675	34,150,267	31,389,151

See accompanying notes to financial statements.

All Faiths Food Bank, Inc.

Statement of Functional Expenses
Year Ended December 31, 2022
(with comparative totals for 2021)

	2022			Total	2021
	Program Services	Management and Administrative	Fund Development		
Personnel expenses:					
Salaries	\$ 2,219,237	554,762	680,648	3,454,647	3,039,318
Payroll taxes	270,278	72,878	85,396	428,552	342,068
Employee benefits	509,253	116,708	131,255	757,216	558,531
Other employees costs	8,327	36,980	3,155	48,462	51,496
Total personnel expenses	<u>3,007,095</u>	<u>781,328</u>	<u>900,454</u>	<u>4,688,877</u>	<u>3,991,413</u>
General expenses:					
Advertising and publicity	46,905	-	38,983	85,888	125,889
Professional fees	120,884	166,537	184,411	471,832	420,497
Contract services	64,191	34,583	-	98,774	78,976
Depreciation	343,942	235,008	-	578,950	589,085
Subscriptions	155	716	76,753	77,624	72,236
Events and special initiatives	13,361	5,715	83,847	102,923	25,408
Donated food distributed	28,688,074	-	-	28,688,074	23,185,752
Purchased food distributed	5,037,616	-	-	5,037,616	4,346,701
Freight and delivery	119,061	-	-	119,061	112,708
Occupancy	136,595	130,573	-	267,168	220,743
Insurance	190,877	52,211	-	243,088	204,548
Meetings and conferences	12,622	17,945	722	31,289	21,873
Membership dues	4,658	1,654	3,228	9,540	15,813
Postage and mailing	33,079	4,162	78,322	115,563	111,117
Printing and copying	33,745	7,172	8,843	49,760	59,373
Equipment rental, repair and maintenance	101,632	32,011	-	133,643	107,593
Supplies	201,548	36,955	16,279	254,782	228,089
Telephone	25,693	60,985	6,169	92,847	90,378
Truck rental, maintenance and fuel	347,271	-	-	347,271	266,590
Travel	29,186	4,664	4,806	38,656	56,824
Bank, merchant and investment fees	-	53,186	-	53,186	63,510
Gain on disposal of assets	-	(2,298)	-	(2,298)	5,684
Disaster relief receivable forgiveness	2,138,457	-	-	2,138,457	1,780,049
Rental assistance	125,545	-	-	125,545	-
Other financial assistance	64,637	-	-	64,637	-
Miscellaneous	12,844	2,058	5,148	20,050	16,598
Total expenses	<u>\$ 40,899,673</u>	<u>1,625,165</u>	<u>1,407,965</u>	<u>43,932,803</u>	<u>36,197,447</u>

See accompanying notes to financial statements.

All Faiths Food Bank, Inc.

Statement of Cash Flows
Year Ended December 31, 2022
(with comparative totals for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 2,761,116	5,142,296
Adjustments to reconcile change in net assets to change in net cash flows from operating activities:		
Depreciation	578,950	589,085
Realized and unrealized (gains) losses on investments	946,760	(564,275)
(Gain) Loss on disposal of fixed assets	(2,298)	5,684
(Increase) decrease in:		
Contributions receivable	154,420	(32,169)
Grants and contracts receivable	296,226	(245,124)
Inventory	(344,537)	292,894
Prepaid expenses	8,930	(76,176)
Right-to-use asset	1,082	24,260
Increase (decrease) in:		
Accounts payable	(110,007)	132,088
Accrued liabilities	(150,747)	155,311
Lease obligation	13,184	(20,389)
Total adjustments	1,391,963	261,189
Net cash flows from operating activities	4,153,079	5,403,485
Cash flows from investing activities:		
Purchase of investments	(7,515,294)	(1,233,221)
Purchase of property and equipment	(531,969)	(947,259)
Net cash flows from investing activities	(8,047,263)	(2,180,480)
Net increase in cash and cash equivalents	(3,894,184)	3,223,005
Cash and cash equivalents, beginning	18,056,306	14,833,301
Cash and cash equivalents, ending	\$ 14,162,122	18,056,306

See accompanying notes to financial statements.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31,2022

Note 1 – Organization and Summary of Significant Accounting Policies:

Organization

All Faiths Food Bank, Inc. (All Faiths) was incorporated on March 13, 1989, as a non-profit corporation under the laws of the State of Florida. Its mission: Together with our partners, we provide healthy solutions to end hunger in our community. All Faiths, awarded a consecutive 4-star rating from Charity Navigator, is a member of the Feeding America network and the hub of hunger relief in Sarasota and DeSoto Counties. In 2022, All Faiths distributed 21 million pounds of food equating to 18 million meals, including 5.8 million pounds of fresh produce in partnership with 477 pantries, soup kitchens, churches, community centers, schools and programs. All Faiths cooperative efforts averaged 756 food distributions monthly, serving 61,576 individuals which included 262,420 household visits.

All Faiths is a member of Feeding America, a national network of food banks that collect food throughout the food industry for distribution to non-profit food and nutrition programs. All Faiths obtains the majority of its food inventory from local food drives, processors, wholesalers, retailers, distributors, and growers.

Basis of Accounting

All Faiths financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards *Financial Statements of Not-for-Profit Organizations (FASB Accounting Standards Codification (ASC) 958, Not-for-Profit Entities*. Accordingly, All Faiths is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. A description of the net asset categories follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for an operating reserve, land development reserve and board-designated endowment.

With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, All Faiths considers all cash in banks and petty cash to be cash and cash equivalents. Cash and cash equivalents exclude cash held in brokerage accounts.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 1 – Organization and Summary of Significant Accounting Policies – continued:

Investments

Management determines the appropriate classification of investment securities at the time of purchase and re-evaluates such classification as of each balance sheet date. All securities are recorded at fair value. Interest, dividends, and realized and unrealized gains and losses on securities are included in the statement of activities.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for potential uncollectible amounts through a provision based on its assessment of the current status of individual accounts and contracts. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management considers accounts receivable balances to be fully collectible. As a result, no allowance for uncollectible amounts has been established.

Contributions

Contributions are recognized when the donor makes a promise to give to All Faiths that is, in substance, unconditional. Promises to give include split-interest amounts (contributions shared by All Faiths and other beneficiaries, which may include the donor) and are recorded at present value based on the estimated lives of the donors. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Assets

Donated assets with an objective basis for valuation are recorded at their fair market value at the date of receipt.

Inventory

Purchased food inventory is stated at the lower of cost or net realizable value using the first - in first-out method. Donated food inventory is generally valued at the approximated average wholesale value of one pound of donated product at the national level as outlined in the *Product Valuation Survey Methodology* prepared annually by Feeding America. This value was \$1.92 per pound as of December 31, 2022. U.S. Department of Agriculture (USDA) donated food inventory is valued at USDA published rates. Concentrations of certain items of donated inventory may warrant a separate valuation approach.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 1 – Organization and Summary of Significant Accounting Policies – continued:

Property and Equipment

It is All Faiths policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, All Faiths reports expirations of donor restrictions when the donated or acquired assets are placed in service. All Faiths reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated used the straight-line method over estimated useful lives ranging from three to thirty-nine years.

Advertising

All Faiths expenses advertising cost as incurred. Advertising expenses were \$85,888 for 2022.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on the relative benefit provided.

Estimates

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

Income Taxes

All Faiths is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to All Faiths tax-exempt purpose is subject to taxation as unrelated business income.

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that All Faiths had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended December 31, 2022. All Faiths federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with All Faiths financial statements for the year ended December 31, 2021, from which the summarized information was derived.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 2 – Concentration of Credit Risk:

All Faith's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. All Faiths places its cash and cash equivalents with local financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Management considers the risk to be minimal and makes efforts to keep balances within FDIC limits.

Note 3 – Inventory:

Inventory consists of the following:

Purchased food	\$ 597,487
Donated food	736,730
Total	<u>\$ 1,334,217</u>

Note 4 – Property and Equipment:

Property and equipment consists of the following:

Land and land improvements	\$ 2,133,143
Building and improvements	4,455,509
Warehouse equipment	1,375,664
Office equipment	372,358
Vehicles	<u>2,304,328</u>
Total property and equipment	10,641,002
Less: accumulated depreciation	<u>(3,646,580)</u>
Property and equipment, net	<u>\$ 6,994,422</u>

Note 5 – Investments:

The components of investments at December 31, 2022, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gain (Loss)</u>
Treasury Bills	<u>\$ 7,468,504</u>	<u>7,423,730</u>	<u>(44,774)</u>
<u>Legacy Fund</u>			
Cash	\$ 372,522	372,522	-
Mutual funds			
Equities			
Large cap	1,892,174	1,802,512	(89,662)
Small cap	463,374	377,489	(85,885)
Int'l developed	583,915	548,968	(34,947)
Int'l emerging	106,158	92,383	(13,775)
Bond	1,243,649	1,102,851	(140,798)
Commodities	186,618	187,791	1,173
Real estate	<u>116,981</u>	<u>104,297</u>	<u>(12,684)</u>
Total	<u>\$ 4,965,391</u>	<u>4,588,813</u>	<u>(376,578)</u>

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 5 – Investments - continued:

Investment earnings (losses), net, for the year ended December 31, 2022 were comprised of the following:

Interest and dividends	\$	221,443
Realized and unrealized losses		(946,760)
Investment fees		<u>(21,531)</u>
Total	\$	<u><u>(746,848)</u></u>

Note 6 – Lines of Credit:

All Faiths has a \$2,000,000 line of credit, interest is at the Wall Street Journal prime rate less .50%, and matures August 2023. Borrowings are collateralized by investments. There was no balance outstanding at December 31, 2022.

Note 7 – Net Assets With Donor Restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified programs or uses:

Inventory – for distribution to agencies	\$	736,730
Programs		<u>1,402,945</u>
Total	\$	<u><u>2,139,675</u></u>

Note 8 – Donated Services:

Volunteers have contributed approximately 48,208 hours (unaudited) of time in 2022 to the activities of All Faiths without compensation. The financial statements do not reflect the value of these donated services because, although clearly substantial, they do not meet the criteria for recorded donated services. However, management estimates the value of these services to be \$1,443,837 for 2022 based on the rate provided by the Independent Sector for the value of volunteer time for the United States.

Note 9 – Retirement Plan:

All Faiths has a defined contribution plan that is available to all employees that have completed sixty days of service. All Faiths matches up to 5% of the employee's contribution. The employee fully vests in the All Faith's contribution after four years of service. Retirement expense was \$139,098 for the year ended December 31, 2022.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 10 – Fair Value of Financial Assets:

Certain assets of All Faiths are presented at fair value. The FASB Accounting Standards Codification provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumption market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about All Faiths assets that are measured at fair value on a recurring basis as of December 31, 2022, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities

Level 2 – inputs other than quoted prices included in level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the organization’s assumptions based on the best information available in the circumstance.

Financial assets at fair value on a recurring basis at December 31, 2022:

<u>Description</u>	<u>Total</u>	Financial Assets and Liabilities at Fair Value on a Recurring Basis at Reporting Date Using Quoted Prices		
		<u>in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Treasury bills	\$ 7,423,730	7,423,730	-	-
Mutual Funds				
Equities				
Large cap	1,802,512	1,802,512	-	-
Mid cap	377,489	377,489	-	-
Int’l developed	548,968	548,968	-	-
Int’l emerging	92,383	92,383	-	-
Bond	1,102,851	1,102,851	-	-
Commodities	187,791	187,791	-	-
Real estate	104,297	104,297	-	-
Total financial assets	\$ 11,646,021	11,646,021	-	-

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 11 – Liquidity:

All Faiths receives contributions with and without donor restrictions to provide funds for its programs. Funding is also provided by county and private grants, primarily based on estimated costs incurred for specific programs and product deliveries to associated food distribution-point agencies. Requests for tracking expenditures are prepared quarterly and/or annually by All Faiths and submitted to the grantors.

The focus of All Faiths' liquidity management is to have sufficient cash available to pay for twelve month's operating expenses on a timely basis. During the year ended December 31, 2022 All Faiths was able to meet this objective.

The organization manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance of All Faiths' ability to purchase emergency food supplies in disaster recovery situations. The organization has a liquidity policy to maintain current unrestricted financial assets less current liabilities at a minimum of 365 days operating expenses.

As of December 31, 2022, All Faiths has a line of credit available totaling \$2,000,000. At December 31, 2022, there was no outstanding balance on the line of credit. Taken together with the following financial assets, the total constitutes All Faiths available cash & credit, which could readily be made available within 30 days of the balance sheet date to meet general expenditures.

Cash and cash equivalents	
Operating	\$ 9,797,875
Board designated reserves	2,943,433
Treasury bills	7,423,730
Legacy fund investments	<u>4,588,813</u>
Total assets available	24,753,851
Unused line of credit – AMB	<u>2,000,000</u>
Total assets and credit available	\$ <u>26,753,851</u>

The liquidity and cash management plans as described above may be impacted by the events described in Notes 13 and 14. However, management believes the organization is well positioned to handle any challenges presented by these events.

Note 12 – Functionalized Expenses:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 13 – Effects of COVID-19:

Continuing response and effort was needed to respond to the Covid crises that remained with us through 2022. Fortunately, during the early stage of the crisis, All Faiths also experienced historic financial investment and funding from the community. This generosity has allowed and continues to allow All Faiths to continually and effectively respond to the increased need we see even year 3 of the pandemic.

The long-term impact of the pandemic and timeframe for recovery are uncertain, although we believe it probable that overall demand for services, and investment volume has peaked, and may marginally subside. Changes to the operating environment have, and will continue for the short term, to increase operating costs. Shared maintenance fees and fees for purchased food ceased to be charged by All Faiths starting in March 2020, and continued through 2021, 2022 & 2023, although we anticipate beginning to charge for purchased food again in 2024. The ultimate final outcome of these matters on All Faiths cannot be determined at this time.

As indicated in the accompanying 2021 statements of financial position and activities, our community's generosity resulted in a surplus of restricted and unrestricted support. All Faiths will remain transparent, strategic and innovative with respect to current reserves. All Faiths will continue to meet the immediate needs of the community and has earmarked funds for service expansion, including new agencies and new mobile market sites, expanded hours of service, and large drive-through distributions. The funds will also be utilized to build partner agency and facility capacity to help sustain the response over what is like to be a protracted, multi-year economic recovery.

Note 14 – Effects of Hurricane Ian:

On September 28, 2022, the state of Florida experienced its most destructive weather event in history, in terms of monetary damages, when Hurricane Ian roared ashore. Extreme impacts occurred throughout southwest and central Florida, including DeSoto county and southern Sarasota County, two areas serviced by All Faiths. All Faiths experienced several significant impacts, including increased demand, interruption to our supply chain, and temporary closure of agency partners. Fortunately, All Faiths also experienced increased investment and contributions from the community, which allowed All Faiths to quickly and effectively respond to increased need.

All Faiths believes the acute stage of the disaster has ended, but there remains uncertainty as to what lasting effects the Hurricane will have on need and on the level of investment by our donation partners.

Note 15 – Vico Court Property:

In 2021, All Faiths purchased an undeveloped lot encompassing 2.05 acres on property contiguous to its primary campus in Sarasota, FL. Due to the aforementioned increase in demand in the community from consequential events, as well as organic growth, All Faiths intends to develop the lot with construction of a new service building, which will include space for additional refrigeration, storage, order fulfillment and offices. Outdoor space will be developed to provide additional truck fleet, employee and volunteer staff parking. At this time, All Faiths anticipates funding development costs through a mixture of utilization of existing on hand funds, in concert with a dedicated capital investment campaign.

All Faiths Food Bank, Inc.

Notes to Financial Statements

December 31, 2022

Note 16 – Subsequent Events:

Other subsequent events have been evaluated through April 30, 2023, which is the date the financial statements were available to be issued.

All Faiths Food Bank, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

FEDERAL AWARD:	Federal CFDA Number	Grant Number	Expenditures	Transfers to Subrecipients
 U.S. Department of Agriculture				
<u>Florida Department of Agriculture and Consumer Services</u>				
Emergency Food Assistance Program (Administrative Costs)	10.568	FDACS #27882	\$ 60,751	-
Emergency Food Assistance Program (Food Commodities)	10.569	FDACS #27882	<u>1,209,154</u>	-
Total Financial Assistance			<u>\$ 1,269,905</u>	

See notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards

December 31, 2022

Note 1 – Basis of Presentation:

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of All Faiths and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with GAAP as applicable to non-profit organizations, and the requirements of the Uniform Guidance.

Note 2 – Indirect Cost Rate:

All Faiths does not use the 10% de minimis indirect cost rate.

Note 3 – Contingency:

Expenditures as incurred by All Faiths are subject to audit and possible disallowances by federal agencies. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial.



**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
All Faiths Food Bank, 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 All Faiths Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered All Faiths Food Bank, Inc.'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 All Faiths Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of All Faiths Food Bank, Inc.'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.

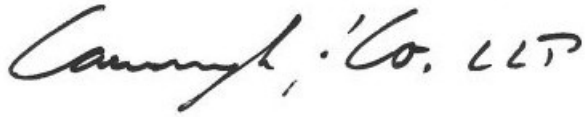
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 All Faiths Food Bank, Inc.'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.

A handwritten signature in black ink that reads "Cannon, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida

April 30, 2023



CAVANAUGH & CO, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
All Faiths Food Bank, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited All Faiths Food Bank, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of All Faiths Food Bank, Inc.'s major federal programs for the year ended December 31, 2022. All Faiths Food Bank, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, All Faiths Food Bank, 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 for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of All Faiths Food Bank, Inc. 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. Our audit does not provide a legal determination of All Faiths Food Bank, Inc.'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 All Faiths Food Bank, Inc.'s federal programs.

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 All Faiths Food Bank, Inc.'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*, and the Uniform Guidance 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 All Faiths Food Bank, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 All Faiths Food Bank, Inc.'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 All Faiths Food Bank, Inc.'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, but not for the purpose of expressing an opinion on the effectiveness of All Faiths Food Bank, Inc.'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.

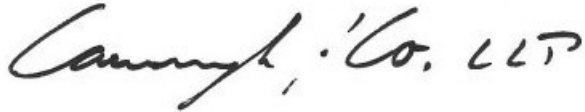
Report on Internal Control over Compliance

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 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 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 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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cammy, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida
April 30, 2023

All Faiths Food Bank, Inc.

**Schedule of Findings and Questioned Costs -
Federal Awards
Year Ended December 31, 2022**

I. Summary of Auditor's Results

Financial Statements

- 1. We have audited the consolidated financial statements of All Faiths Food Bank, Inc. as of and for the year ended December 31, 2022 and issued an unmodified opinion.
- 2. Internal Control over Financial Reporting:
 - A. Material weaknesses identified? No
 - B. Significant deficiencies identified not considered to be a material weakness? No
- 3. Noncompliance material to the financial statements noted? No

Federal Awards

- 4. Internal Control over Major Programs
 - A. Material weaknesses identified? No
 - B. Significant deficiencies identified not considered to be a material weakness? No
- 5. The auditor's report on compliance with requirements applicable to the major federal programs expresses an unmodified opinion.
- 6. Our audit disclosed no findings required to be reported related to federal programs under section 200.516 Audit findings, paragraph (a).
- 7. The programs/projects tested as major programs/projects included the following:

<u>Federal Program or Cluster</u>	<u>CFDA Number</u>
United States Department of Agriculture	
Emergency Food Assistance Program (Administrative Costs)	10.568
Emergency Food Assistance Program (Food Commodities)	10.569

- 8. The threshold used for distinguishing Type A and Type B programs was \$750,000 for major Federal programs.
- 9. All Faiths Food Bank, Inc. does not qualify as a low-risk auditee under the provisions of Section 200.520, Uniform Guidance.

II. Findings Related To The Financial Statements Required to be Reported. None

III. Findings and Questioned Costs for Major Federal Programs None