

**HARRY CHAPIN FOOD BANK
OF SOUTHWEST FLORIDA, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR
YEARS ENDED
JUNE 30, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harry Chapin Food Bank of Southwest Florida, Inc.
3760 Fowler Street
Fort Myers, Florida 33901

Report on the Financial Statements

We have audited the accompanying financial statements of Harry Chapin Food Bank of Southwest Florida, Inc. (a Florida not-for-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Harry Chapin Food Bank of Southwest Florida, Inc.'s internal control. Accordingly, we

INTEGRITY SERVICE EXPERIENCE

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Harry Chapin Food Bank of Southwest Florida, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 and the Notes thereto are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 and the Notes thereto are fairly stated in all material respects in relation to the financial statements taken as a whole.

Board of Directors
Harry Chapin Food Bank of Southwest Florida, Inc.
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Other Information

The Exhibit - Management's Response to Independent Auditor's Report to Management, is not a required part of the financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2021, on our consideration of Harry Chapin Food Bank of Southwest Florida, 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 Harry Chapin Food Bank of Southwest Florida, 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 Harry Chapin Food Bank of Southwest Florida, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "TUSCAN & COMPANY, P.A." in a cursive, stylized script.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

October 7, 2021

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

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ASSETS	2021	2020
CURRENT ASSETS		
Cash and cash equivalents (including restricted cash of \$71,455 and \$127,930 at June 30, 2021 and 2020, respectively)	\$ 341,682	\$ 1,401,093
Certificates of deposit & other investments	10,454,139	7,951,776
Accounts receivable	586,617	2,136,712
Prepaid expenses	51,500	24,671
Inventory	2,789,031	1,735,862
TOTAL CURRENT ASSETS	14,222,969	13,250,114
PROPERTY AND EQUIPMENT, NET	4,655,005	4,654,670
OTHER ASSETS		
Investments - Board designated endowment	1,011,228	-
Investments - beneficial interest - restricted	350,132	274,066
Deposits	38,512	22,612
Land held for sale	952,422	952,422
TOTAL OTHER ASSETS	2,352,294	1,249,100
TOTAL ASSETS	\$ 21,230,268	\$ 19,153,884
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 171,322	\$ 318,162
Accrued expenses	586,376	625,180
Grants held for other agencies - restricted	-	17,812
Compensated absences	225,782	203,964
Long-term debt, current portion	104,155	73,415
TOTAL CURRENT LIABILITIES	1,087,635	1,238,533
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	426,026	1,902,956
TOTAL LONG-TERM LIABILITIES	426,026	1,902,956
COMMITMENTS AND CONTINGENCIES	-	-
TOTAL LIABILITIES	1,513,661	3,141,489
NET ASSETS		
Without donor restrictions		
Operating	15,170,196	12,332,347
Investment in property and equipment, net	4,124,824	3,295,864
TOTAL WITHOUT DONOR RESTRICTIONS	19,295,020	15,628,211
With donor restrictions		
Temporarily restricted	377,383	352,107
Permanently restricted	44,204	32,077
TOTAL WITH DONOR RESTRICTIONS	421,587	384,184
TOTAL NET ASSETS	19,716,607	16,012,395
TOTAL LIABILITIES AND NET ASSETS	\$ 21,230,268	\$ 19,153,884

The accompanying notes are an integral part of this statement.

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

		2021	
		With Donor Restrictions	
	Without Donor Restrictions	Temporarily Restricted	Permanently Restricted
CHANGES IN NET ASSETS			
REVENUES AND SUPPORT			
Gross proceeds from special events and fundraising	\$ 1,353,644	\$ -	\$ -
Less direct costs	(343,752)	-	-
Net proceeds from special events and fundraising	1,009,892	-	-
Food contributions - USDA	19,417,164	-	-
Food contributions - USDA CFAP	9,569,163	-	-
Food contributions - USDA CSFP	617,153	-	-
Food contributions - other	37,348,593	-	-
Federal Government programs	5,605,161	25	2,530
State Government programs	-	-	-
United Way	210,098	-	-
Grants and donations	18,238,796	856,049	-
Programs	105,074	-	-
Other	1,027,370	-	9,597
TOTAL	93,148,464	856,074	12,127
Net assets released from restrictions	830,798	(830,798)	-
TOTAL REVENUES AND SUPPORT	93,979,262	25,276	12,127
EXPENSES			
Program services	89,010,805	-	-
General and administrative	477,167	-	-
Fundraising	824,481	-	-
TOTAL EXPENSES	90,312,453	-	-
INCREASE (DECREASE) IN NET ASSETS	3,666,809	25,276	12,127
NET ASSETS, BEGINNING OF YEAR	15,628,211	352,107	32,077
NET ASSETS, END OF YEAR	\$ 19,295,020	\$ 377,383	\$ 44,204

The accompanying notes are an integral part of this statement.

2020				
Total	Without Donor Restrictions	With Donor Restrictions		Total
		Temporarily Restricted	Permanently Restricted	
\$ 1,353,644 (343,752)	\$ 1,597,048 (359,766)	\$ - -	\$ - -	\$ 1,597,048 (359,766)
1,009,892	1,237,282	-	-	1,237,282
19,417,164	15,791,558	-	-	15,791,558
9,569,163	1,918,398	-	-	1,918,398
617,153	699,885	-	-	699,885
37,348,593	28,682,506	-	-	28,682,506
5,607,716	2,019,882	112,069	-	2,131,951
-	-	-	-	-
210,098	218,596	-	-	218,596
19,094,845	11,719,997	1,305,201	-	13,025,198
105,074	353,357	-	-	353,357
1,036,967	86,452	-	-	86,452
94,016,665	62,727,913	1,417,270	-	64,145,183
-	1,255,313	(1,255,966)	653	-
94,016,665	63,983,226	161,304	653	64,145,183
89,010,805	55,288,875	-	-	55,288,875
477,167	439,921	-	-	439,921
824,481	850,568	-	-	850,568
90,312,453	56,579,364	-	-	56,579,364
3,704,212	7,403,862	161,304	653	7,565,819
16,012,395	8,224,349	190,803	31,424	8,446,576
\$ 19,716,607	\$ 15,628,211	\$ 352,107	\$ 32,077	\$16,012,395

The accompanying notes are an integral part of this statement.

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

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FUNCTIONAL EXPENSES	Program Services	SUPPORTING SERVICES			2021 Total Expenses
		Admin.	Fund Raising	Total Supporting Services	
Payroll and related expenses	\$ 3,007,175	\$ 292,096	\$ 636,746	\$ 928,842	\$ 3,936,017
Agency program	-	-	-	-	-
Business travel	20,082	1,185	2,615	3,800	23,882
Cost of food	15,396,442	-	-	-	15,396,442
Finance	132,725	48,876	-	48,876	181,601
Food distribution	66,166,684	-	-	-	66,166,684
Insurance	550,099	44,550	96,518	141,068	691,167
Maintenance	157,776	6,256	-	6,256	164,032
Other	689,131	69,678	75,778	145,456	834,587
Pick and pack out	1,274,106	-	-	-	1,274,106
Technology	79,408	7,136	10,378	17,514	96,922
Transportation	175,405	-	-	-	175,405
Utilities	143,126	7,390	2,446	9,836	152,962
Vehicle	<u>628,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,551</u>
Total expenses before depreciation	88,420,710	477,167	824,481	1,301,648	89,722,358
Depreciation	<u>590,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,095</u>
TOTAL EXPENSES	<u><u>\$ 89,010,805</u></u>	<u><u>\$ 477,167</u></u>	<u><u>\$ 824,481</u></u>	<u><u>\$ 1,301,648</u></u>	<u><u>\$ 90,312,453</u></u>

The accompanying notes are an integral part of this statement.

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

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FUNCTIONAL EXPENSES	Program Services	SUPPORTING SERVICES			2020 Total Expenses
		Admin.	Fund Raising	Total Supporting Services	
Payroll and related expenses	\$ 2,391,556	\$ 255,983	\$ 670,998	\$ 926,981	\$ 3,318,537
Agency program	40,469	-	-	-	40,469
Business travel	33,417	2,061	5,001	7,062	40,479
Cost of food	2,526,630	-	-	-	2,526,630
Finance	49,406	90,719	59	90,778	140,184
Food distribution	47,758,230	-	-	-	47,758,230
Insurance	489,302	39,785	86,648	126,433	615,735
Maintenance	82,140	1,777	-	1,777	83,917
Other	392,819	38,247	73,750	111,997	504,816
Pick and pack out	270,025	-	-	-	270,025
Technology	92,682	6,049	12,096	18,145	110,827
Transportation	220,119	-	-	-	220,119
Utilities	98,277	5,300	2,016	7,316	105,593
Vehicle	<u>352,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,948</u>
Total expenses before depreciation	54,798,020	439,921	850,568	1,290,489	56,088,509
Depreciation	<u>490,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,855</u>
TOTAL EXPENSES	<u><u>\$ 55,288,875</u></u>	<u><u>\$ 439,921</u></u>	<u><u>\$ 850,568</u></u>	<u><u>\$ 1,290,489</u></u>	<u><u>\$ 56,579,364</u></u>

The accompanying notes are an integral part of this statement.

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donations, grants, contracts & programs	\$ 26,550,016	\$ 14,139,175
Cash received from fundraising and events	1,353,644	1,597,048
Interest and other income received	960,901	(156,190)
Cash payments to suppliers and personnel	(24,168,650)	(8,348,791)
Interest paid	(181,601)	(140,184)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>4,514,310</u>	<u>7,091,058</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of board designated endowment	(1,011,228)	-
Purchases of investments	(2,502,363)	(6,432,737)
Purchases of property & equipment	(614,540)	(540,750)
Proceeds from sales of property and equipment	600	34,600
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(4,127,531)</u>	<u>(6,938,887)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan and note payable	-	1,400,000
Proceeds from issuance of PPP loans	-	617,565
Principal payments on loan and mortgage	(828,625)	(1,454,301)
Forgiveness of the loan - PPP	(617,565)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(1,446,190)</u>	<u>563,264</u>
Net increase (decrease) in cash and cash equivalents	(1,059,411)	715,435
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,401,093</u>	<u>685,658</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 341,682</u>	<u>\$ 1,401,093</u>

NON-CASH TRANSACTIONS

Non-cash operating activities have been eliminated and include the following for the year ended June 30:

	2021	2020
Non-cash revenues	<u>\$ 66,952,073</u>	<u>\$ 47,092,347</u>
Non-cash expenditures	<u>\$ 65,898,904</u>	<u>\$ 47,401,708</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	2021	2020
Increase (Decrease) in Net Assets	\$ 3,704,212	\$ 7,565,819
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	590,095	490,855
(Gain) Loss on disposal of property and equipment	23,510	(34,600)
(Increase) decrease in beneficial interest	(76,066)	(242,642)
(Increase) decrease in accounts receivable	1,550,095	(1,564,898)
(Increase) decrease in prepaid expenses	(26,829)	2,230
(Increase) decrease in inventory, noncash	(1,053,169)	309,361
(Increase) decrease in deposits	(15,900)	(7,250)
Increase (decrease) in accounts payable	(146,840)	194,287
Increase (decrease) in accrued expenses	(38,804)	297,770
Increase (decrease) in grants held for agencies	(17,812)	(25,029)
Increase (decrease) in compensated absences	21,818	105,155
TOTAL ADJUSTMENTS	810,098	(474,761)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 4,514,310	\$ 7,091,058

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Activities

Harry Chapin Food Bank of Southwest Florida, Inc. (the "Organization") is a nonprofit organization serving the hungry in Southwest Florida. Its mission is to lead our community in the fight to end hunger. It was incorporated on January 21, 1983 as a nonprofit organization under the laws of Florida and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization has grown from its inception in Lee County to serve the hungry across Southwest Florida. Its primary service territory consists of Charlotte, Collier, Glades, Hendry and Lee Counties. Additionally, the Organization is the prime contractor for Region 5 of the TEFAP program in Florida, which includes the previously noted counties as well as DeSoto, Hardee, Highlands, Manatee, and Sarasota Counties.

The Organization provides programs and services directly to hungry families and partners with approximately 150 agencies including pantries, soup kitchens, emergency shelters, and residential programs. The Organization is also a key provider of food and relief supplies in the event of local disasters. As such, the Organization is the largest hunger relief organization in Southwest Florida. It distributed 53.9 million pounds of food in the fiscal year ended June 30, 2021.

The Organization rescues food from a variety of sources to support its programs and operations. Food sources include retail stores, wholesalers, distributors, farms, packing houses, government sources and private donations. The Organization's funding comes primarily from private sources, including private donors, foundations, corporate giving, and the general public, as well as from government programs.

Program Summary

Volunteer Services: Volunteers are a vital part of the success of the programs at Harry Chapin Food Bank of Southwest Florida, Inc. For the year ended June 30, 2021, more than 4,434 volunteers collectively provided 78,076 hours, which equate to more than \$2,228,289 in in-kind services. In-kind services have not been recorded in these financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Accounting

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations" and the Accounting Standards issued by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

The Organization prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

Financial Statement Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205-55-21 (formerly Statement of Financial Accounting Standards (SFAS) No. 117), "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-205-55-21, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions (unrestricted) and net assets with donor restrictions (temporarily restricted and permanently restricted).

The Organization reports its contributions in accordance with FASB ASC 958-605-50-2. In accordance with FASB ASC 958-605-50-2, contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-605-50-1, such contributions are required to be reported as contributions with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time restriction or compliance with the purpose restriction.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Investments

Investments are reported at their fair value in the statements of financial position. Fair value of investments is determined by significant unobservable inputs. Realized and unrealized gains and losses are included in the change in net assets in the statements of activities.

Accounts Receivable and Unconditional Promises to Give

Accounts receivable primarily consist of amounts due from agencies and grantors. It is the Organization's policy to establish an allowance for doubtful accounts based on known circumstances and historical collection history. Bad debt expense was \$0 for each of the years ended June 30, 2021 and 2020, respectively.

Unconditional promises to give, if any, are, generally, considered fully collectible; therefore, no allowance for uncollectible accounts has been recorded. In addition, the Organization discounts its promises to give to present value based on its estimated time of collectability. Such discount is subsequently amortized to revenue.

Inventory

Inventories of donated products (food) are recorded at the approximate average wholesale value as outlined in the Product Valuation Survey Methodology, December 2019 and 2018 prepared by Feeding America, a national, nonprofit distributor of donated product in the food bank network. During the year ended June 30, 2017, Feeding America established a separate Product Valuation Survey Methodology to be applied to USDA inventory. The Organization's subsidiary records are maintained for federal surplus commodities as to quantities received and quantity on hand for control purposes and for revenue recognition in the financial statements. Federal surplus commodities are recorded in inventory as of the date they are physically received in the Organization's warehouse.

Inventories of purchased commodities are stated at the lower of cost or net realizable value.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

The Organization's policy is to capitalize assets with a cost of \$1,000 or more and a useful life greater than one (1) year. Property and equipment are recorded at cost if purchased or estimated current values on the date of receipt if donated. Maintenance and repairs are charged to operations when incurred and major replacements in excess of \$1,000 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets, as follows:

<u>Fixed Asset Category</u>	<u>Useful Lives</u>
Building and improvements	5-40 years
Furniture and equipment	3-7 years
Vehicles	3-10 years

No debt related interest costs were capitalized for the years ended June 30, 2021 or 2020.

Advertising costs

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

Impairment of fixed assets

The Organization adheres to FASB ASC 360-10-50-2 (formerly SFAS No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets." FASB ASC 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from FASB ASC 360-10-50-2 for the years ended June 30, 2021 or 2020.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Compensated Absences

The Organization accumulates and records a contingent liability for compensated absences accrued by employees. Upon termination of employment, employees can receive payment for vacation leave if they meet certain criteria. Vacation is based on a fiscal year. Unused vacation leave and related employer costs as of June 30, 2021 and 2020 have been accrued as a liability.

Income Taxes

Management has analyzed its various Federal filing positions and believes that the Organization's income tax filing positions and deductions are well documented, supported, and contain no uncertain tax positions. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The prior three years remain open to examination under Federal statute limitations. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Organization has been granted a ruling that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization is a non-profit Florida corporation and, therefore, is not subject to state income taxes. Accordingly, no provision for Federal or State income taxes has been made. The Organization is not considered a private foundation within the meaning of Section 509(a) of the Code.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting for uncertainty in income tax items

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization has adopted this guidance. The Organization has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

Fair Value of Financial Instruments

In accordance with FASB ASC 820, the Organization uses fair value measurements to value certain types of assets. At June 30, 2021 and 2020, the carrying value of balances such as cash, receivables, inventory, prepaids, accounts payable, accrued liabilities and deposits approximate fair value due to the short term maturity of these financial instruments.

Revenues and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions (unrestricted) if the restriction expires in the reporting period in which the support is recognized. All other grant revenue and donor-restricted support is reported as an increase in net assets with donor restrictions (temporarily or permanently restricted), depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions (temporarily restricted) are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES, CONTINUED**

Revenues and Support, continued

Support from federal and state grants is recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

In-kind Contributions/Donated Services

In-kind contributions are recorded as contributions in the accompanying financial statements at their estimated current value on the date of the receipt.

Contributions of services are recognized only if services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by the individuals possessing those skills, and would typically be purchased if not provided by donation. For the years ended June 30, 2021 and 2020, the value of contributed services has not been recorded in the financial statements.

However, a number of volunteers, including the Board of Directors, have donated significant amounts of their time and expertise to the Organization's programs and supporting services.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific cost center or program service are allocated according to their natural expense classification. Other expenses that are common to several functions are allocated by using various statistical bases.

Cash Flows

For the purpose of the Statements of Cash Flows, Harry Chapin Food Bank of Southwest Florida, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2021 and 2020, Harry Chapin Food Bank of Southwest Florida, Inc. had cash equivalents of \$249,758 and \$0, respectively.

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES, CONTINUED**

Cash Flows, continued

The Organization made no cash payments for income taxes during the years ended June 30, 2021 or 2020.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through October 7, 2021, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

The carrying value of cash and cash equivalents consist of the following at June 30:

	2021	2020
Cash on hand	\$ 3,000	\$ 7,569
Depository accounts	338,682	1,393,524
	<u>\$ 341,682</u>	<u>\$ 1,401,093</u>

The nature of cash and cash equivalents (carrying value) is as follows at June 30:

	2021	2020
Unrestricted cash	\$ 270,227	\$ 1,273,163
Restricted cash	71,455	127,930
	<u>\$ 341,682</u>	<u>\$ 1,401,093</u>

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NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Restricted cash consists of funded grants held for other agencies and/or net assets with temporary donor restrictions at year end.

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a total of \$250,000 per institution. Cash bank balances may exceed the FDIC limit at times during the fiscal year. The uninsured balances as of June 30, 2021 and 2020 were \$1,218,528 and \$1,233,486, respectively, based on the bank balances, less the FDIC insurance. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE C - CERTIFICATES OF DEPOSIT

At June 30, 2021 and 2020, certificates of deposit held were \$1,742,913 and \$3,237,391, respectively.

Concentration of credit risk

The Organization maintains its excess cash in certificates of deposit (CD's) of under \$250,000 each at various financial institutions. These assets are federally insured up to \$250,000 per financial institution. The Organization's certificates of deposit are categorized as follows at June 30:

	Bank Balance	
	2021	2020
Amount covered by FDIC	\$ 1,742,913	\$ 3,237,391
Amount uninsured	-	-
	<u>\$ 1,742,913</u>	<u>\$ 3,237,391</u>

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NOTE D - INVESTMENTS

Beneficial Interest in Assets Held consist of the following at June 30:

	2021	2020
Community Foundation of Collier County	\$ 305,928	\$ 241,989
Temporarily Restricted	305,928	241,989
Collaboratory (SWFCF)	17,827	13,959
Community Foundation of Collier County	17,138	12,777
Charlotte Community Foundation	9,239	5,341
Permanently Restricted	44,204	32,077
	<u>\$ 350,132</u>	<u>\$ 274,066</u>

Investments consist of the following at June 30:

	2021	2020
Mutual funds	\$ 1,009,766	\$ -
CD's	1,742,913	3,237,391
Money market accounts	8,712,688	4,714,385
	<u>\$ 11,465,367</u>	<u>\$ 7,951,776</u>

Investments are Board designated and included in Certificates of deposits & other investments. The Board designated endowment of \$1,011,228 is included in the mutual funds and money market accounts. Certain investments are held by a financial institution in a money market fund and mutual funds. These funds are, generally, not subject to FDIC coverage.

Concentration of credit risk

The Organization maintains cash investment balances with an investment company. These cash investment accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a total of \$250,000 per institution. Cash bank balances may exceed the FDIC limit at times during the fiscal year. The uninsured cash investment balances as of June 30, 2021 and 2020 were \$2,888,183 and \$249,009, respectively, based on the bank balances, less the FDIC insurance. The investment company (invests) ladders the CD's and money market accounts to various institutions in amounts of less than \$250,000 to minimize credit risk and maximize FDIC insurance. The mutual funds are not subject to FDIC and are uninsured at June 30, 2021. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE E - FAIR VALUE MEASUREMENT

The Organization's investment strategy allows management to invest in available investment vehicles to maximize income. Management has also attempted to minimize risk while working to achieve maximum investment return.

In accordance with FASB ASC 820 (the "Codification"), the Organization uses fair value measurements to record adjustments to certain assets. FASB ASC 820 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Codification also sets out a fair value hierarchy ranking the levels of the inputs used as assumptions in the valuation techniques used to value an asset or liability. The fair value hierarchy gives the highest priority to quoted prices in an active market for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of hierarchy are described as follows:

Level 1 - inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Organization considers the money market accounts and mutual funds Level 1 inputs.

Level 2 - inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted market prices of similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and pricing models developed principally from inputs from or corroborated by observable market data by correlation or other means. The Organization considered the certificate of deposits held to be Level 2 inputs.

Level 3 - inputs are unobservable and allowed in situations where there is little, if any, market activity for the asset or liability at measurement date. These inputs reflect the reporting entity's own assumptions about assumptions that would be used by market participants.

The Organization uses fair value measurements to record adjustments to its investments and to determine fair value disclosures.

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NOTE E - FAIR VALUE MEASUREMENT, CONTINUED

The following table presents the fair value hierarchy for the Organization's assets measured at fair value as of June 30:

2021		Fair Value Measurements at Reporting Date Using:		
Description	Carrying Value	Quoted Prices in Active Markets for Identical Assets Level (1)	Quoted Prices in Active Markets for Similar Assets Level (2)	Significant Unobservable Inputs Level (3)
Money Market Accounts	\$ 8,712,688	\$ 8,712,688	\$ -	\$ -
Mutual Funds	1,009,766	1,009,766	-	-
Certificates of deposit (CD)	<u>1,742,913</u>	-	<u>1,742,913</u>	-
Investments	11,465,367	9,722,454	1,742,913	-
Beneficial Interest in Assets Held at Community Foundations	<u>350,132</u>	<u>-</u>	<u>-</u>	<u>350,132</u>
	<u>\$ 11,815,499</u>	<u>\$ 9,722,454</u>	<u>\$ 1,742,913</u>	<u>\$ 350,132</u>

2020		Fair Value Measurements at Reporting Date Using:		
Description	Carrying Value	Quoted Prices in Active Markets for Identical Assets Level (1)	Quoted Prices in Active Markets for Similar Assets Level (2)	Significant Unobservable Inputs Level (3)
Money Market Accounts	\$ 4,714,385	\$ 4,714,385	\$ -	\$ -
Mutual Funds	-	-	-	-
Certificates of deposit (CD)	<u>3,237,391</u>	-	<u>3,237,391</u>	-
Investments	7,951,776	4,714,385	3,237,391	-
Beneficial interest in Assets Held at Community Foundations	<u>274,066</u>	<u>-</u>	<u>-</u>	<u>274,066</u>
	<u>\$ 8,225,842</u>	<u>\$ 4,714,385</u>	<u>\$ 3,237,391</u>	<u>\$ 274,066</u>

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NOTE E - FAIR VALUE MEASUREMENT, CONTINUED

The beneficial interest in assets held at various community foundations (the "foundations") has been valued, as a practical expedient, at the fair value of the Organization's share of the foundations' investment pool as of the measurement date and includes, in some instances, a match provided by the foundations. The foundations value securities and other financial instruments on a fair value basis of accounting. The estimated fair value of certain investments of the foundations, which includes private placement and other securities for which prices are not readily available, are determined by the management of the foundations and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the foundations are not redeemable by the Organization as described in Note M.

Financial instruments classified as level 3 in the fair value hierarchy represent the Organization's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for level 3 financial instruments:

<u>Beneficial Interest</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 274,066	\$ 31,424
Additional amounts invested	3,030	251,256
Foundations match of amounts invested	-	-
Distributions/grants	-	(50)
Net appreciation and earnings	76,358	(7,575)
Administrative fees	<u>(3,322)</u>	<u>(989)</u>
Ending balance	<u>\$ 350,132</u>	<u>\$ 274,066</u>

The components of the net appreciation on investments, including Level 3 investments, may include dividend and interest income, realized gains and losses, gain or loss on sale of contributed shares and market fluctuations associated with the underlying investments. Investment manager's fees and foundations' fees are netted against these amounts.

Land held for sale is valued at the lower of cost or market and therefore, not subject to leveling.

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NOTE F - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30:

	2021	2020
Accounts receivable - purchased food, net	\$ 39,541	\$ 80
Grants receivable - Federal	546,572	1,136,632
Other receivables	504	1,000,000
	<u>\$ 586,617</u>	<u>\$ 2,136,712</u>

Accounts receivable - purchased food is net of the allowance for doubtful accounts in the amount of \$0 and \$0 for the years ended June 30, 2021 and 2020, respectively.

Management believes these receivables are fully collectible.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2021	2020
Land	\$ 518,304	\$ 518,304
Building and improvements	4,272,887	4,226,859
Furniture and equipment	771,294	787,760
Vehicles	<u>2,752,907</u>	<u>2,541,255</u>
	8,315,392	8,074,178
Less: accumulated depreciation	<u>(3,660,387)</u>	<u>(3,419,508)</u>
	<u>\$ 4,655,005</u>	<u>\$ 4,654,670</u>

For the years ended June 30, 2021 and 2020, depreciation expense was \$590,095 and \$490,855, respectively.

NOTE H - LAND HELD FOR SALE

The Organization purchased land with the intent to build a new warehouse for operations in 2007. Subsequently, the Organization purchased a warehouse to meet its current needs. Therefore, the project to build a new warehouse was abandoned and the Organization made the determination to sell the land. The land is being carried at cost in the amount of \$952,422 as of June 30, 2021 and 2020, as it is lower than the estimated market value. The Organization entered into a contract to sell the land at a price of \$1,300,000 in September 2020 and amended the contract in February 2021. The sale is expected to be completed in

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NOTE H - LAND HELD FOR SALE, CONTINUED

December 2021. The amendment also required the buyer to pay the Organization \$50,000 per month beginning March 1, 2021 through December 1, 2021. The Organization recognized four payments of \$50,000 plus the original buyer deposit of \$50,000 as revenue during the year ended June 30, 2021 as these payments are nonrefundable but do apply to the purchase price if the buyer closes in accordance with the amended purchase agreement.

NOTE I - LONG TERM DEBT

Total long term debt consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Note payable - on April 15, 2020 the Organization received a loan in the amount of \$617,565 through the Small Business Administration (SBA) Paycheck Protection Program (PPP). The loan has a maturity date of two (2) years with an annual interest rate of 1.00%. The Organization did apply for full forgiveness of the loan in accordance with the requirements of the PPP and provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization was granted full forgiveness of the loan on January 16, 2021.	-	617,565
Mortgage note payable - Financial Institution, in the original amount of \$2,220,000 dated December 8, 2014, monthly payments of principal and interest of \$13,913, at a fixed rate of 4.39% with the balance of \$1,365,865 due at maturity on December 9, 2019, collateralized by specific real property. On November 19, 2019 the mortgage was refinanced with another financial institution. New loan amount is \$1,400,000 with monthly payments of \$10,148 including principal and interest at a fixed interest rate of 3.65%, maturing on November 19, 2034. The Organization has intentionally paid additional principal payments with the intent to pay the loan off early and reduce future interest expense. The loan and the LOC are cross collateralized and collateralized by all non real property assets and a pledge not to sell or encumber real property.	530,181	1,358,806

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NOTE I - LONG TERM DEBT, CONTINUED

	<u>2021</u>	<u>2020</u>
Line of credit - In addition to refinancing the Mortgage Payable on November 19, 2019, the Organization obtained a revolving Line of Credit (LOC) in the amount of \$250,000. Interest rate is LIBOR plus 1.8%. The LOC renews annually on November 19. The loan and the LOC are cross collateralized and collateralized by all non-real property assets and a pledge not to sell or encumber real property. No amounts were borrowed during the years ended June 30, 2021 or 2020.	-	-
	530,181	1,976,371
Less: current maturities	(104,155)	(73,415)
Long-term debt, net of current portion	<u>\$ 426,026</u>	<u>\$ 1,902,956</u>

Future maturities of debt are as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2022	\$ 104,155
2023	108,021
2024	112,031
2025	116,189
2026	89,785
	<u>\$ 530,181</u>

Interest expense was \$48,876 and \$54,895, for the years ended June 30, 2021 and 2020, respectively.

NOTE J - NET ASSETS

Net assets without donor restriction - Board designated consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Investments		
Operating fund	\$ 10,795,821	\$ 9,352,869
Capital fund	-	-
Endowment fund	1,361,360	274,066
	<u>\$ 12,157,181</u>	<u>\$ 9,626,935</u>

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
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NOTE J - NET ASSETS, CONTINUED

Temporarily restricted net assets consisted of the following as of June 30:

	2021	2020
Capital campaign - building fund	\$ 305,928	\$ 241,989
Harry's Helping program	46,405	40,000
Mobile & in-school pantries	25,000	25,000
Other	50	45,118
	<u>\$ 377,383</u>	<u>\$ 352,107</u>

Permanently restricted net assets are held in the beneficial interest investment in the amount of \$44,204 and \$32,077 at June 30, 2021 and 2020, respectively.

The net assets with donor restrictions are held as follows at June 30:

	2021	2020
Cash - restricted	\$ 71,455	\$ 127,930
Beneficial interest	350,132	274,066
Grants held for other agencies	-	(17,812)
	<u>\$ 421,587</u>	<u>\$ 384,184</u>

NOTE K - EMPLOYEE BENEFIT PLAN

The Organization offers a defined contribution plan to its employees and contributes 4% of eligible compensation to a 401(k) retirement plan (the "Plan") on behalf of all eligible employees whether or not the employee contributes. The Organization also matches employee contributions up to another 4% of the employee's compensation. An employee is eligible to participate in the Plan immediately upon hire if employed at least 30 hours per week. The Employer does not contribute to the Plan until the month after the employee completes one year of service. The employee is immediately 100% vested in their own contributions. The employee vests 100% in the Organization's contributions in the first month after completion of thirty-six (36) months qualified employment. Total retirement expense for the years ended June 30, 2021 and 2020 was \$190,972 and \$170,784, respectively, and is included in payroll and related expenses, allocated between program and supporting services.

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NOTE L - OPERATING LEASES

Office and Warehouse Space

During the year ended June 30, 2017, the Organization entered into an operating lease for warehouse space in Naples, Florida ending February 28, 2022. The minimum monthly payments under the lease agreement are \$11,307 base rent plus \$3,109 of common area maintenance (CAM) fees. Base rent will increase by 3% each year on the anniversary date of the lease. The lease has one 5 year renewal option available. The Organization intends to renew this lease.

During the year ended June 30, 2020, the Organization entered into an operating lease for office space in Fort Myers, Florida ending May 30, 2021. The lease had a 1 year renewal option available and the Organization exercised it. The lease now ends May 30, 2022. Monthly payments under the lease agreement are \$3,500 through May 30, 2022.

During the year ended June 30, 2021, the Organization entered into an operating lease for office space in Naples, Florida ending October 31, 2021. Monthly payments under the lease agreement are \$7,950 through October 31, 2023. The lease had one 2 year renewal option available which was exercised.

Lease expense for the years ended June 30, 2021 and 2020 under these leases was \$311,785 and \$192,068, respectively, and is included in other expenses, allocated between program and supporting services.

Future minimum payments required under these leases are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2022	\$ 327,923
2023	297,098
2024	226,357
2025	205,850
2026	210,906
Thereafter	142,896
	<u><u>\$ 1,411,030</u></u>

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June 30, 2021 and 2020

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NOTE M · ENDOWMENT FUND

On October 3, 2002 the Organization entered into an agreement with Collaboratory (formerly the Southwest Florida Community Foundation) (an unrelated organization) to create an endowment fund for the benefit of the Organization (beneficial interest). The agreement called for a \$5,000 contribution by the Organization to the Collaboratory that was matched by the Collaboratory, creating a total endowment of \$10,000.

During the year ending June 30, 2015, the Organization entered into similar agreements with two additional unrelated local community foundations. The Organization made two contributions totaling \$7,000. One agreement called for a \$5,000 contribution by the Organization with a respective match by the foundation creating a total endowment of \$10,000. The other agreement called for a \$2,000 contribution by the Organization with no match provided by the respective foundation.

The assets of all three (3) agreements are the property of the respective local foundations in accordance with the terms of the agreements and are not available for distribution to the Organization. The assets of each agreement fund are held for the benefit of the Organization and the income from the fund is available to be distributed to the Organization annually subject to the approval of each individual foundation. Annual income from each agreement has, historically, been reinvested by the respective foundations at the direction of the Organization. Once the annual income has been reinvested it historically, has then not been available for future distribution to the Organization. Each agreement also incurs investment management costs. The endowment fund agreements permit additional endowment gifts to be contributed. During the years ended June 30, 2021 and 2020, net investment gains (losses) including additional contributions, net of investment management costs totaled \$76,066 and \$242,642, respectively. The recorded gain for the year ended June 30, 2020 included receipt of a gift of \$241,989 (net) which is temporarily restricted for capital expenditures. The total endowment held by the foundations for the benefit of the Organization at June 30, 2021 and 2020, was \$350,132 and \$274,066, respectively (see Note D).

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NOTE N - COMMITMENTS AND CONTINGENCIES

The Organization is currently receiving and previously has received grants, contracts, and other third party funds which are subject to special compliance audits by the grantor and other third party agencies that provided these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of the Organization. Such liabilities are not reflected within the financial statements of the Organization, as management does not believe any material contingent liabilities exist.

The Organization entered into a paycheck protection program loan (PPP) on April 15, 2020 in the amount of \$617,565. The PPP was officially fully forgiven on January 16, 2021. As such, the proceeds are recorded as other revenue.

NOTE O - LITIGATION

The Organization is involved from time to time in routine litigation, the substance of which would not materially affect its financial position, due to third party insurance coverage and/or federal tort limits. The Organization is not in a position to predict a final outcome of such lawsuits or claims, or the related costs involved. The Organization intends to vigorously contest all claims unless first settled. Management is not aware of any asserted claims at June 30, 2021.

NOTE P - UNITED WAY CONTRIBUTIONS

Harry Chapin Food Bank of Southwest Florida, Inc. received the following contributions from United Way for the years ended June 30:

<u>United Way</u>	<u>2021</u>	<u>2020</u>
Lee County	\$ 182,495	\$ 193,472
Charlotte County	21,103	18,624
Collier County	-	500
Hendry/Glades County	6,500	6,000
	<u>\$ 210,098</u>	<u>\$ 218,596</u>

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NOTE Q - RELATED PARTY TRANSACTION

As of June 30, 2021, the Organization held certificates of deposit and other investments in an investment company in which a member of the Board held a management position.

NOTE R - INVENTORY VALUATION

On July 1 of each year the Organization revalues its inventory by implementing the current Feeding America food rate per pound. For the fiscal year 2021 inventory valuation the Feeding America rate for USDA products was \$1.62 and non-USDA products was \$1.74. The rates used for the year ended June 30, 2020 was \$1.51 for USDA products and \$1.62 for non-USDA products.

NOTE S - LIQUIDITY

Financial assets available within one year of June 30, 2021 consisted of the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 341,682
Investments without donor restrictions - CD's	10,454,139
Accounts receivable	<u>586,617</u>
	11,382,438
Less amounts due within one year:	
Current liabilities	1,087,635
Restricted cash	<u>71,455</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 10,223,348</u></u>

The Board has established a Board designated endowment of 1,011,228 at June 30, 2021 which is not included in the liquidity calculation above.

SUPPLEMENTARY INFORMATION

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal or State Agency & Office/Pass Through Grantor/Program Title	Federal CFDA State CSFA Number
FEDERAL AWARDS	
MAJOR (Type A)	
U.S. Department of Agriculture	
Passed through Florida Department of Agriculture	
and Consumer Services	
Administrative Costs 18/19 (CSFP)	10.565 *
Food Commodities - Non Cash (CSFP)	10.565 *
Administrative Costs 18/19 (USDA/TEFAP)	10.568 *
Food Commodities - Non Cash (USDA/TEFAP)	10.569 *
Administrative Costs 19/20 (USDA/TRADE MITIGATION USDA/TEFAP)	10.568 *
Food Commodities - Non Cash (USDA/TRADE MITIGATION USD)	10.569 *
Administrative Costs 20 (USDA/FFCRA/CARES USDA/TEFAP)	10.568 *
Food Commodities - Non Cash (USDA/FFCRA/CARES USDA/TEFAP)	10.569 *
U.S. Department of the Treasury	
Passed through Lee County Board of County Commissioners	
Food Security Program	
Administration Costs- Lee County CARES Act Grant	21.019
Passed through Charlotte County Board of County Commissioners	
Food Security Program	
Administration Costs- Charlotte County CARES Act Grant	21.019
NON MAJOR (Type B)	
U.S. Department of Homeland Security (FEMA):	
Passed through United Way of America	
Emergency Food and Shelter Program (EFSP)	
Lee County	97.024
Hendry County	97.024
Collier County	97.024

- (1) includes receivables of \$29,609
- (2) includes receivables of \$459,081
- (3) includes receivables of \$29,206
- (4) includes receivables of \$28,676
- (a) Pertains to Phase 37
- * considered Food Distribution Cluster

Pass-Through or Grant Contract Number	Program or Award Amount	Receipts or Revenue Recognized		Disbursements/ Expenditures	Pass through to subrecipients
24879	\$ 374,938	\$ 100,672	(1)	\$ 100,672	\$ -
24879	617,153	617,153		670,297	670,297
22748	4,263,228	812,578	(2)	812,578	353,497
22748	8,606,284	8,606,284		8,491,536	8,491,536
26188	788,950	100,000		100,000	100,000
26188	4,860,734	4,860,734		4,975,477	4,975,477
26931	2,274,032	1,738,377	(3)	1,738,377	1,709,171
26931	<u>5,950,146</u>	<u>5,950,146</u>		<u>5,649,877</u>	<u>5,649,877</u>
	<u>27,735,465</u>	<u>22,785,944</u>		<u>22,538,814</u>	<u>21,949,855</u>
8776	2,750,000	2,548,737		2,548,737	-
Y2278	<u>250,000</u>	<u>250,000</u>		<u>250,000</u>	-
	<u>3,000,000</u>	<u>2,798,737</u>		<u>2,798,737</u>	-
165400-012	47,350 (a)	47,350		47,350	47,350
163200-017	3,000 (a)	3,000		3,000	3,000
159000-013	<u>7,002 (a)</u>	<u>7,002</u>		<u>7,002</u>	<u>7,002</u>
	<u>57,352</u>	<u>57,352</u>	(4)	<u>57,352</u>	<u>57,352</u>
TOTAL					
FEDERAL AWARDS	<u>\$ 30,792,817</u>	<u>\$ 25,642,033</u>		<u>\$ 25,394,903</u>	<u>\$ 22,007,207</u>

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS
Year ended June 30, 2021

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NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of the OMB Uniform Guidance, "Audits of States, Local Governments and Non-Profit Organizations".

Expenditures reported on the Schedule of Expenditures of Federal Awards include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

NOTE B - INDIRECT COSTS

The Organization did not routinely allocate costs to Federal Awards. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such.

Harry Chapin Food Bank of Southwest Florida, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - FOOD DISTRIBUTION

Included in the Schedule of Expenditures of Federal Awards are in-kind food items received through The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). For the fiscal year ended June 30, 2021, the value of these contributions and related inventory are based on price lists provided by Feeding America and the Florida Department of Agriculture and Consumer Services, respectively.

NOTE D - COVID RELATED GRANTS

Harry Chapin Food Bank of Southwest Florida, Inc. received the Collier County Cares Grant CFDA 21.019 from Collier County Community Foundation and the Coronavirus Food Assistance Program (CFAP) CFDA 10.130 during the year ended June 30, 2021. These grants are not listed on the Schedule of Expenditures of Federal Awards (SEFA) as they are not subject to Uniform Guidance.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**

**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**

Board of Directors
Harry Chapin Food Bank of Southwest Florida, Inc.
3760 Fowler Street
Fort Myers, FL 33901

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 of America, the financial statements of Harry Chapin Food Bank of Southwest Florida, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control Over Financial Reporting

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

INTEGRITY SERVICE EXPERIENCE

is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We noted a certain other item that we have reported in our Independent Auditor's Report to Management dated October 7, 2021.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harry Chapin Food Bank of Southwest Florida, 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 "TUSCAN & COMPANY, P.A." in a cursive, stylized font.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

October 7, 2021

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

Board of Directors
Harry Chapin Food Bank of Southwest Florida, Inc.
3760 Fowler Street
Fort Myers, FL 33901

Report on Compliance For Each Major Federal Program

We have audited Harry Chapin Food Bank of Southwest Florida, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Harry Chapin Food Bank of Southwest Florida, Inc.'s major federal programs for the year ended June 30, 2021. Harry Chapin Food Bank of Southwest Florida, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

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 Requirement for Federal Awards" (Uniform Guidance). Those Standards, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Harry Chapin Food Bank of Southwest Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the

INTEGRITY SERVICE EXPERIENCE

circumstances. We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on Harry Chapin Food Bank of Southwest Florida, Inc.'s compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Harry Chapin Food Bank of Southwest Florida, 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 June 30, 2021.

Report on Internal Control Over Compliance

The management of Harry Chapin Food Bank of Southwest Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Harry Chapin Food Bank of Southwest Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate on the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Harry Chapin Food Bank of Southwest Florida, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or

significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of the Report

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

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive, stylized font.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

October 7, 2021

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS

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Year ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Control deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Material weakness(es) identified?	_____ Yes	_____ X	_____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

Federal Awards

Internal control over major programs:			
Control deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Material weakness(es) identified?	_____ Yes	_____ X	_____ None reported
Type of auditors report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____ Yes	_____ X	_____ No

Identification of major programs (Type A):

CFDA Number(s)	Name of Federal Program or Cluster
	U.S. Department of Agriculture (Food Distribution Cluster)
10.565	Commodity Supplemental Food Program (CSFP) - Administrative Costs
10.568	Administrative Costs - (TEFAP)
10.569	Food Commodities Cluster (TEFAP) - Non Cash
	U.S. Department of Treasury
21.019	Lee County CARES Act Grant
21.019	Charlotte County CARES Act Grant

Dollar threshold used to distinguish between
Type A and Type B programs

Threshold used was \$761,847.

Auditee qualified as low-risk auditee?	_____ X	Yes _____	_____ No
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HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS, CONTINUED
Year ended June 30, 2021

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The Organization provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Grant Number	Amount
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Commodity Supplemental Food Program	10.565	24879	\$ <u>670,297</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Administrative Costs	10.568	22748	\$ <u>353,497</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Administrative Costs	10.568	26188	\$ <u>100,000</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Food Commodities	10.568	26931	\$ <u>1,709,171</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Food Commodities	10.569	22748	\$ <u>8,491,536</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Food Commodities	10.569	26188	\$ <u>4,975,477</u>
U.S. Department of Agriculture			
Emergency Food Assistance Program			
Food Commodities (Disaster)	10.569	26931	\$ <u>5,649,877</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter Program			
National Board Program	97.024	various	\$ <u>57,352</u>
			\$ <u>22,007,207</u>

HARRY CHAPIN FOOD BANK OF SOUTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
AWARDS, CONTINUED
Year ended June 30, 2021

Page 39 of 41

Section II - Financial Statement Findings

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

There were no audit findings related to Federal Awards required to be reported by 2 CFR Section 200.516(a)

Section IV - Status of Federal Prior Year Findings

There were no prior year findings.

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Directors
Harry Chapin Food Bank of Southwest Florida, Inc.
3760 Fowler Street
Fort Myers, Florida 33901

In planning and performing our audit of the financial statements of Harry Chapin Food Bank of Southwest Florida, Inc. (the "Organization") (a not-for-profit Florida corporation) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Harry Chapin Food Bank of Southwest Florida, 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 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In connection with our audit, we are submitting the following comments and recommendations in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)". We are, therefore, submitting for your review and consideration, items noted during the audit and recommendations designed to help the Organization make improvements and achieve operational efficiencies. Our comment reflects our desire to be of continuing assistance to Harry Chapin Food Bank of Southwest Florida, Inc.

INTEGRITY SERVICE EXPERIENCE

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

Prior year comments appear to be resolved.

CURRENT YEAR COMMENTS:

2021-1 During the audit for the year ended June 30, 2021, we performed various procedures on inventory and inventory valuation. On June 30, 2021, we performed an observation of the perpetual inventory at all warehouse locations. During this procedure, we selected various food items randomly from the perpetual inventory sheet and from the warehouse floor. Exceptions noted during our observation were corrected on the final inventory lists. However, one (1) USDA item was corrected twice in the Ceres system, which resulted in inventory being overstated as of June 30, 2021.


During the USDA inventory testing, we, also, selected twenty five (25) random shipments from USDA to the Organization's warehouse to test the valuation of inventory. We noted three (3) of the twenty-five (25) shipments selected were valued incorrectly when entered in the Ceres system, which resulted in the inventory valuation being understated.

During the Single Audit procedures, we reviewed the monitoring performed by the USDA on the Organization during the month of June 2021. It was noted that the USDA had corrective actions for nineteen (19) of twenty-four (24) inventory items that could not be reconciled to the perpetual inventory sheet. The Organization did respond to USDA and the issue has been closed.

We recommend that the Organization increase their controls over inventory to include a secondary review of the quantity and unit cost of inventory. We also recommend that the Organization perform reviews on inventory weight in the Ceres system for accuracy.

We would like to express our appreciation for the opportunity to serve and assist Harry Chapin Food Bank of Southwest Florida, Inc. Your staff and management was very helpful and assisted us well. We would be pleased to further discuss and assist in the implementation of these recommendations.

This letter is intended solely for the information and use of the Board, the Audit Committee, management, Federal awarding agencies and pass-through entities. This report is not intended to be, and should not be, used by anyone other than these specified parties.


TUSCAN & COMPANY, P.A.
Fort Myers, Florida
October 7, 2021

EXHIBIT



Harry Chapin Food Bank OF SOUTHWEST FLORIDA

October 18, 2021

Tuscan & Company, P.A.
Attn: Mr. Jeffery Tuscan
12621 World Plaza Lane
Fort Myers, FL 33907

Dear Jeff,

Please find the responses below to the items noted during the recent audit relating to operational procedures. We have taken corrective action to remedy all potential deficiencies described in the audit report.

2021-1 Increase control over inventory:

- During the audit for the year ended June 30, 2021, we performed various procedures on inventory and inventory valuation. On June 30, 2021, we performed an observation of the perpetual inventory at all warehouse locations. During this procedure, we selected various food items randomly from the perpetual inventory sheet and from the warehouse floor. Exceptions noted during our observation were corrected on the final inventory lists. However, one (1) USDA item was corrected twice in the Ceres system, which resulted in inventory being overstated as of June 30, 2021.
- During the USDA testing, we noted (3) of (25) shipments selected were valued incorrectly when entered in the Ceres system, which resulted in the inventory valuation being understated.
- During the Single Audit procedures, we reviewed the monitoring performed by the USDA on the Organization during the month of June 2021. It was noted that the USDA had corrective actions for nineteen (19) of twenty-four (24) inventory items that could not be reconciled to the perpetual inventory sheet. The Organization did respond to USDA and the issue has been closed



The Harry Chapin Food Bank has received the highest rating of 4 stars from Charity Navigator for successfully managing the finances of the organization in an efficient and effective manner.

This letter acknowledges your charitable contribution made to the Harry Chapin Food Bank and that no goods or services were provided to you, in whole or in part, in consideration for the contribution.

3760 Fowler Street Fort Myers, Florida 33901 T 239.334.7007 F 239.337.1399

The Foundation has not transferred any goods or services to you in exchange for your gift. Therefore, the full amount stated above may be treated as a deductible contribution for federal income tax purposes. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (1-800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.
100% OF EACH CONTRIBUTION IS RECEIVED BY HARRY CHAPIN FOOD BANK (# CH 328).



Harry Chapin Food Bank OF SOUTHWEST FLORIDA

HCFB Response:

Fiscal year 2021 was a record year for HCFB in terms of volume of food being distributed to our community as well as “system” transactions and managing inventory day to day. This has increased the potential level of risk associated with system transacting.

To address the control weakness described in comment 2021-1 HCFB has taken the following actions:

- The responsibility for inventory management has been re-organized effective August 2021 and the Continuous Improvement Manager will lead the effort to improve inventory processes, transacting accuracy and implement inventory best practices. As part of this change, two inventory support personnel will report directly to the Continuous Improvement Manager to better align resources.
- A corrective action has been completed relating to USDA inventory item records to reduce incorrect receipt transacting. One of the exceptions noted during the audit occurred when an incorrect item record was selected to receive inventory. For all USDA items, the Ceres system has two units of measures “each” and “case”. While transacting a receipt the “each” unit of measure was selected incorrectly. To prevent this from happening again, all “each” item records have been inactivated and they will be re-activated only if they are needed to transact.
- A corrective action is in process to create a valuation report which will calculate all Donated and USDA item valuations “per pound” and compare them with the stated Feeding America valuation “per pound” rate set at the beginning of the fiscal year. If any differences are noted, they will be corrected.

We appreciate the thoroughness of your team in conducting the audit.

Very truly yours,

Steven Soucy
CFO
Harry Chapin Food Banks of Southwest Florida

cc: Richard LeBer, President & CEO
John Clinger, Board Chair



The Harry Chapin Food Bank has received the highest rating of 4 stars from Charity Navigator for successfully managing the finances of the organization in an efficient and effective manner.

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100% OF EACH CONTRIBUTION IS RECEIVED BY HARRY CHAPIN FOOD BANK (# CH 328).