

FARM SHARE, INC.
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**
JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position.	4
Statement of Activities June 30, 2023.	5
Statement of Activities June 30, 2022.	6
Statement of Functional Expenses June 30, 2023.	7
Statement of Functional Expenses June 30, 2022.	8
Statements of Cash Flows.	9
Notes to Financial Statements.	10-18
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	19
Schedule of State Financial Assistance	20
Notes to Schedules of Expenditure of Federal Awards and State Financial Assistance.	21
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General.	24-26
Schedule of Findings and Questioned Costs – Federal Programs and State Projects.	27-28



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Farm Share, Inc., (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Chapter 10.650, Rules of the Auditor General* of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Verdeja DeArmas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 6, 2023

FARM SHARE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 754,820	\$ 1,064,181
Accounts and grants receivable	1,455,094	1,637,884
Inventory	6,788,371	6,647,871
Prepaid expenses	119,773	100,992
TOTAL CURRENT ASSETS	<u>9,118,058</u>	<u>9,450,928</u>
INVESTMENTS	8,962,391	8,930,486
PROPERTY AND EQUIPMENT, net	3,360,043	3,447,343
OTHER ASSETS		
Operating lease right-of-use asset	972,874	-
Security deposit and other	59,004	111,123
TOTAL ASSETS	<u>\$ 22,472,370</u>	<u>\$ 21,939,880</u>
 LIABILITIES AND NET ASSETS 		
LIABILITIES		
Accounts payable and accrued expenses	\$ 361,874	\$ 320,997
Current portion of right-of-use operating lease liability	429,276	-
TOTAL CURRENT LIABILITIES	<u>791,150</u>	<u>320,997</u>
Right-of-use operating lease liability, net of current portion	558,755	-
TOTAL LIABILITIES	<u>1,349,905</u>	<u>320,997</u>
NET ASSETS		
Without donor restriction	21,122,465	21,618,883
TOTAL NET ASSETS	<u>21,122,465</u>	<u>21,618,883</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,472,370</u>	<u>\$ 21,939,880</u>

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

FARM SHARE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restriction</u>
REVENUE AND SUPPORT	
Operations:	
Government grants and contracts	\$ 9,743,937
Contributions	1,051,675
Total operating revenue and support	<u>10,795,612</u>
Contributions of nonfinancial assets:	
Contributed food and goods	159,644,491
Donated facilities and services	1,665,316
Total contributions of nonfinancial assets	<u>161,309,807</u>
 TOTAL REVENUE AND SUPPORT	 <u>172,105,419</u>
EXPENSES	
Operations:	
Program services:	
Transportation and distribution costs	12,108,352
Total program services	<u>12,108,352</u>
Supporting services:	
Management and general	165,324
Fundraising and development	93,940
Total supporting services	<u>259,264</u>
Total operating costs	<u>12,367,616</u>
Distributions of nonfinancial assets:	
Distributed food and goods	159,503,991
Donated facilities and services	1,665,316
Total distributions of nonfinancial assets	<u>161,169,307</u>
 TOTAL EXPENSES	 <u>173,536,923</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	
From operations/monetary	(1,572,004)
From nonfinancial assets	140,500
TOTAL CHANGES IN NET ASSETS BEFORE OTHER INCOME	<u>(1,431,504)</u>
OTHER INCOME	
Interest and dividend income	219,031
Investment income	619,200
Miscellaneous income	96,855
TOTAL OTHER INCOME	<u>935,086</u>
CHANGE IN NET ASSETS	
From operations/monetary	(636,918)
From nonfinancial assets	140,500
TOTAL CHANGES IN NET ASSETS	<u>(496,418)</u>
NET ASSETS - BEGINNING OF YEAR	<u>21,618,883</u>
NET ASSETS - END OF YEAR	<u>\$ 21,122,465</u>

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

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

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

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

FARM SHARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

Description	Transportation and Distribution	Supporting Services		Total
		Management and General	Fundraising and Development	
Salaries, taxes, and benefits	\$ 4,669,780	\$ 91,039	\$ 56,899	\$ 4,817,718
Professional fees	184,534	33,750	37,041	255,325
Trucking and hauling	2,377,448	-	-	2,377,448
Storage and warehouse	145,660	-	-	145,660
Fuel, oil and propane	773,735	-	-	773,735
Repairs and maintenance	684,207	-	-	684,207
Lease transportation	25,171	-	-	25,171
Other transportation and distribution	390,643	-	-	390,643
Insurance	387,776	7,914	-	395,690
Rent	151,842	2,789	-	154,631
Utilities	478,496	9,765	-	488,261
Information technology costs	248,423	5,070	-	253,493
Office supplies and equipment	38,000	776	-	38,776
Other office costs	16,553	319	-	16,872
Taxes, licenses and fees	81,336	-	-	81,336
Outreach and development	-	-	287,146	287,146
Depreciation expense	696,840	14,221	-	711,061
Lease cost expense	470,443	-	-	470,443
TOTAL	\$ 11,820,887	\$ 165,643	\$ 381,086	\$ 12,367,616

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

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

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

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

FARM SHARE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (496,418)	\$ (1,228,462)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Amortization of operating lease right-of-use asset	416,012	-
Depreciation	711,061	703,609
Unrealized and realized (gains) losses on investments, net	(619,200)	1,776,653
(Increase) decrease in assets:		
Accounts and grants receivable	182,790	(146,004)
Inventory	(140,500)	(391,050)
Prepaid expenses and other assets	33,338	(107,524)
Security deposits and other	-	-
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	40,877	(9,099)
Operating lease right-of-use liability	(400,855)	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(272,895)</u>	<u>598,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(623,761)	(1,477,896)
Purchases of investment securities, net	587,295	(2,698,004)
NET CASH USED IN INVESTING ACTIVITIES	<u>(36,466)</u>	<u>(4,175,900)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(309,361)	(3,577,777)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,064,181</u>	<u>4,641,958</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 754,820</u>	<u>\$ 1,064,181</u>

Non-Cash activities:

Due to the implementation of FASB ASU 2016-02 - Leases (Topic 842), a right-of-use asset and lease liability were recognized during 2023 fiscal year, resulting in the following non-cash adjustments as of July 1, 2022 (the implementation date).

Initial Operating lease right-of-use asset	\$ 1,388,886
Initial Operating lease right-of-use liability	\$ (1,388,886)

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

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Farm Share recovers and distributes more than 100 million pounds of food throughout the state of Florida utilizing its network of nearly 2,000 partner agencies and fleet of semi-trucks and refrigerated box trucks. This is the equivalent of more than 83 million meals. Approximately 90% of Farm Share’s food is distributed through its partner agency network. Farm Share also holds more than 800 annual direct Community Food Distribution Events that focus on distributing healthy and nutritious food-to-food desert communities statewide. Farm Share accomplishes all of this while managing to keep its administrative costs at less than 1% of the value of all donations received annually.

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

Farm Share is the statewide leader in acquiring and distributing healthy and nutritious fresh fruits and vegetables to persons in need. Thanks to its relationships and partnerships with Florida’s farmers, the Organization was able to recover nearly 18-25 million pounds of fruits and vegetables each year that would otherwise not make it to market and be thrown away. This is a win/win for the farmers, hungry Floridians and the environment.

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

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

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

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

Basis of Presentation

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

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

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

Cash and Cash Equivalents

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

The Organization maintains separate bank accounts as required by grantors.

Concentrations of Credit Risk

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

Accounts and Grants Receivable

Accounts and grants receivable expected to be received within one year are recorded at their net realizable value. Grants receivable that are expected to be received in future years, if any, are recorded at fair value, using present value techniques and applicable discount rates. Management individually reviews accounts and grants receivable balances on a regular basis to determine collectability and estimates the portion of the balances that will not be collected, if any. As of June 30, 2023 and 2022, all amounts are considered collectable and no allowance for uncollectible accounts and grants receivable has been recorded.

At June 30, 2023 and 2022, grants receivable from two grantors, respectively, accounted for 100% of total grants receivable.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

Investments

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

Inventory

Inventory is comprised of donated goods received, but not yet distributed, which are recorded at fair value. The approximate average value of one pound of donated product, which was determined to be \$1.75 during both fiscal years ended 2023 and 2022, respectively, were based upon the average cost per pound of a mixed basket of supermarket goods similar to those received by the Organization.

Property and Equipment

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

Depreciation and Amortization

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

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized to the extent the carrying amount of the impaired asset exceeds fair value. Management's assessment of the recoverability of long-lived assets includes, but is not limited to, future expected discounted cash flows, external appraisals, and management's plans for future use. There was no impairment loss recorded during the years ended June 30, 2023 and 2022.

Revenue Recognition

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

Grants and Contributions

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

Donated Goods and Services

Donated goods received are recorded at fair value as contributions of nonfinancial assets without donor restrictions. As the goods are distributed to member agencies, inventory is reduced and expensed as food distributions in the accompanying statement of activities.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

Donated Goods and Services (Continued)

During the years ended June 30, 2023 and 2022, the Organization received and distributed approximately 100 million pounds and 119 million pounds of donated goods, respectively. The approximate average value of one pound of donated product during 2023 and 2022 was \$1.75 and \$1.75, respectively. The estimate is based on the average cost per pound of a mixed basket of supermarket goods similar to those received by the Organization.

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

Functional Expense Allocation

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

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the years ended June 30, 2023 and 2022, advertising and promotion expenses amounted to approximately \$237,096 and \$499,000 respectively.

Income Taxes

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

The Organization assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Organization's major tax jurisdictions. Generally, the Organization is no longer subject to income tax examinations by major taxing authorities for years before fiscal year 2020.

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

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

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

Adopted Accounting Pronouncements

The Organization adopted ASC 842, Leases, effective July 1, 2022, which requires lessees to recognize leases on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. Upon adoption, the Organization recognized operating ROU assets and lease liabilities of \$1,388,886. See Note 10.

The Organization adopted ASU 2020-07, Not-for-Profit Entities (Topic 958) *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective July 1, 2022 requiring an entity to present contributed financial assets as a separate line item on the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 includes additional disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services.

NOTE 2 - INVESTMENTS

Market values of investments are summarized as follows at June 30, 2023 and 2022:

Description	2023	2022
Assets:	Market Value	Market Value
Investment Securities:		
Equity	\$ 5,288,051	\$ 5,366,522
Bonds	2,454,897	2,811,576
Money market funds	6,624	6,411
Exchange traded funds	917,044	745,977
Alternative Investments	295,775	-
Total investment securities	\$ 8,962,391	\$ 8,930,486

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

The components of total investment return relating to investments are reflected below for the years ended June 30, 2023 and 2022:

	2023	2022
Dividends and interest income	\$ 219,031	\$ 223,304
Net realized and unrealized investment income (loss)	619,200	(1,663,173)
	\$ 838,231	\$ (1,439,869)

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization classified its investments as of June 30, 2023 and 2022, based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available. The three-level valuation hierarchy is established for the measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

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

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the assets or liability.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

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

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets measured at fair value on a recurring basis as of June 30, 2023 and 2022:

Description	Fair Value Measurement at June 30, 2023		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investment Securities:			
Equity	\$ 5,288,051	\$ 5,288,051	\$ -
Bonds	2,454,897	2,454,897	-
Money market funds	6,624	6,624	-
Exchange Traded Funds	917,044	917,044	-
Alternative Investments	295,775	-	295,775
Total investment securities	<u>\$ 8,962,391</u>	<u>\$ 8,666,616</u>	<u>\$ 295,775</u>

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Building and improvements	\$ 1,626,895	\$ 1,585,989
Furniture and equipment	2,410,643	2,565,479
Vehicles	4,696,363	4,301,721
Total	<u>8,733,901</u>	<u>8,453,189</u>
Less: accumulated depreciation	<u>5,373,858</u>	<u>5,005,846</u>
	<u>\$ 3,360,043</u>	<u>\$ 3,447,343</u>

Depreciation expense on property and equipment amounted to approximately \$711,061 and \$703,609 for the years ended June 30, 2023 and 2022, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

In January 2019, the Organization entered into a new Personal Services Agreement, for a term of five years, with automatic renewal for additional terms of five years, subject to review by the Board of Directors. The agreement is for consulting services payable to the Organization's founder. For the years ended June 30, 2023 and 2022, the Organization paid approximately \$150,000 and \$150,000, respectively, for consulting services in accordance with the agreement.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

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

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 6, 2023, which is the date the accompanying financial statements were available to be issued.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2023</u>	<u>2022</u>
Cash	\$ 754,820	\$ 1,064,181
Accounts and grants receivable	<u>1,455,094</u>	<u>1,637,884</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,209,914</u>	<u>\$ 2,702,065</u>

The Organization has available investments of \$8,962,391 and \$8,930,486, respectively. These resources are invested for long-term appreciation and current income but may be spent at the discretion of the Board.

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

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization maintains a pooled employer 401(k) profit sharing employee benefit plan (the “Plan”) covering all employees. Under the Plan, all employees are eligible to participate after three months of employment. Employee contributions to the Plan are elective. Discretionary matching contributions may be made to the plan by the Organization. For the year ended June 30, 2023, the Organization recorded no matching contributions and employee elective contributions had a value of \$82,549.

NOTE 10 – RIGHT OF USE, OPERATING LEASES

The Organization implemented ASC 842 as of July 1, 2022 to each lease that had commenced as of the beginning of the reporting period in which the Organization first applied the new lease standard. There was no cumulative-effect adjustment as of that date. Financial statements for 2022 have not been not adjusted under this method. As of June 30, 2022, rent expense was approximately \$532,000.

The Organization determines if an arrangement is a lease at inception and when the terms of an existing contract are changed. All leases are recorded on the balance sheet except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

Lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term discounted using the rate implicit on the lease (if available) or the Organization’s average incremental borrowing rate. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Operating lease cost is recognized on a straight-line basis over the lease term and are included within operating expenses in the statement of activities. The Organization leases warehouse facilities located in Oakland Park, FL and Jacksonville, FL that expire June 2026 and June 2024, respectively.

FARM SHARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 10 – RIGHT OF USE, OPERATING LEASES (Continued)

Components of lease cost during the year ended June 30, 2023 were as follows:

<u>Operating lease</u>	<u>2023</u>
Right-of-use asset:	
Operating lease asset	\$ 972,874
Lease liabilities:	
Current operating lease liability	429,276
Noncurrent operating lease liability	558,755
Total operating lease liability	<u>\$ 988,031</u>
Years Ended December 31,	
2024	\$ 468,940
2025	297,817
2026	289,920
Total lease payments	<u>\$ 1,056,677</u>
Less interest	<u>\$ 68,646</u>
Present value of lease liability	<u>\$ 988,031</u>

The following table presents the weighted average remaining lease term (in years) and discount rate of the Organization's operating leases as of June 30, 2023:

Weighted average remaining lease term (years)	2.6
Weighted average discount rate	5%

SUPPLEMENTARY INFORMATION

FARM SHARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Pass-through to Subrecipients</i>	<i>Total Federal Expenditures</i>
United States Department of Agriculture				
<i>Pass-through State of Florida Department of Agriculture and Consumer Services</i>				
Emergency Food Assistance Program (Administrative Costs)	10.568	29806/27867/29724/27875/29807/27868/29710/27869/29732/27865/29805/27866	\$ -	\$ 3,041,738
Emergency Food Assistance Program (Food Commodities)	10.569	29806/27867/29724/27875/29807/27868/29710/27869/29732/27865/29805/27866	\$ -	\$ 39,044,041
<i>Total Expenditures of Federal Awards</i>			\$ -	\$ 42,085,779

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

**FARM SHARE, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

<i>State Grantor/Pass-through Grantor/Project Title</i>	<i>State Assistance Listing Number</i>	<i>Grant Award Number</i>	<i>Pass-through to Subrecipients</i>	<i>Total State Financial Assistance</i>
State of Florida Department of Agriculture and Consumer Services				
Food Recovery/Farm Share Inc.	42.004	28827	\$ -	\$ 5,000,000
<i>Total State Financial Assistance</i>			\$ -	\$ 5,000,000

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

FARM SHARE, INC.

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A- BASIS OF PRESENTATION

The Schedules of Expenditures and Federal Awards and State Financial Assistance (the “Schedules”) include the Federal and State awards activity of the Organization under programs of the federal and state government for the year ended June 30, 2023.

The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance*. Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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



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

To the Board of Directors of
Farm Share, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Farm Share, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja De Armas Trujillo & Alvarado, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 6, 2023



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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Farm Share, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2023. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Farm Share, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Verdeja De Armas Trujillo & Alvarado, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 6, 2023

**FARM SHARE, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND
 STATE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2023**

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards and State Projects

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

Internal control over major Federal programs and State projects:

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

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

Identification of major Federal programs and State projects:

Federal Program/State Project or Cluster	Assistance Listing Number	Expenditures
<u>U.S. Department of Agriculture</u>		
Emergency Food Assistance Program (Administrative Costs)	10.568	\$3,041,738
Emergency Food Assistance Program (Food Commodities)	10.569	\$39,044,041
<u>State of Florida Department of Agriculture and Consumer Services</u>		
Food Recovery/Farm Share, Inc.	42.004	\$5,000,000

FARM SHARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2023

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

Dollar threshold used to distinguish between Type A and Type B federal programs: \$ 1,265,573

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

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

The audit disclosed no matters that are reportable in accordance with 2 CFR 200.516(a) or Chapter 10.656 during the year ended June 30, 2023.

SECTION IV – OTHER ISSUES

1. No management letter is required because there were no findings required to be reported in the management letter (Section 10.656 (3)(e), Rules of the Auditor General) for the year ended June 30, 2023.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to Federal programs or State projects, (Section 10.656 (3)(d)(5), Rules of the Auditor General).
3. No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance or the Department of Financial Services' *State Project Compliance Supplement*.