

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK**

INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report	1-3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses For the year ended September 30, 2022.....	6
Statement of Functional Expenses For the year ended September 30, 2021.....	7
Statement of Cash Flows.....	8
Notes to Financial Statements	9 - 19
Supplemental Information:	
Statement of Activities – By Program For the year ended September 30, 2022.....	20
Statement of Activities – By Program For the year ended September 30, 2021.....	21
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	22 - 23
Schedule of Findings	24



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Food Helpers
D/B/A Greater Washington County Food Bank
Washington, Pennsylvania

Opinion

We have audited the accompanying financial statements of Food Helpers D/B/A Greater Washington County Food Bank (a nonprofit corporation), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Helpers D/B/A Greater Washington County Food Bank as of September 30, 2022 and 2021, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Food Helpers D/B/A Greater Washington County Food Bank and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Food Helpers D/B/A Greater Washington County Food Bank'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue auditor's reports that includes our opinions. 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 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, including omissions, 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, 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 Food Helpers D/B/A Greater Washington County Food Bank'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 Food Helpers D/B/A Greater Washington County Food Bank's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of Food Helpers D/B/A Greater Washington County Food Bank. 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, on our consideration of Food Helpers D/B/A Greater Washington County Food Bank'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 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 Food Helpers D/B/A Greater Washington County Food Bank's internal control over financial reporting and compliance.

Palermo/Kissinger - Assoc., P.C.

Palermo/Kissinger & Associates, P.C.
Washington, Pennsylvania

January 18, 2023

FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 907,409	\$ 1,296,322
Investments	844,363	721,312
Accounts receivable	401,727	12,775
Inventory	278,852	389,338
Total Current Assets	2,432,351	2,419,747
FIXED ASSETS		
Building	1,383,688	1,383,688
Building improvements	788,460	688,460
Property and equipment	377,907	323,879
Vehicles	362,406	348,411
	2,912,461	2,744,438
Less: accumulated depreciation	(858,088)	(686,416)
Total Fixed Assets	2,054,373	2,058,022
TOTAL ASSETS	\$ 4,486,724	\$ 4,477,769
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 17,134	\$ 954
Accrued payroll	34,045	-
Sales tax payable	500	791
Total Current Liabilities	51,679	1,745
TOTAL LIABILITIES	51,679	1,745
NET ASSETS		
Without donor restrictions:		
Invested in fixed assets	2,054,373	2,058,022
Unrestricted	2,066,200	2,108,038
Total net assets without donor restrictions	4,120,573	4,166,060
With donor restrictions	314,472	309,964
Total Net Assets	4,435,045	4,476,024
TOTAL LIABILITIES AND NET ASSETS	\$ 4,486,724	\$ 4,477,769

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS		
Grants	\$ 469,313	\$ 173,450
CARES Act - State Food Purchase Program	-	206,272
Food purchase programs	511,242	352,805
Corporate and foundation contributions	364,968	264,515
Payroll protection plan program debt forgiveness	-	96,904
General contributions	866,692	920,231
Donated inventory	476,814	826,128
Investment income	37,080	9,361
Unrealized gains (losses) on investments	(208,409)	19,106
Program fees	12,336	20,745
Other income	-	8,872
	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS	2,530,036	2,898,389
Net assets released from restrictions	<u>341,492</u>	<u>122,213</u>
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS	<u>2,871,528</u>	<u>3,020,602</u>
EXPENSES:		
Food distribution	2,130,455	1,665,140
Healthy habits training center	68,847	55,624
Thrift market	276,884	187,874
Farm	182,553	148,741
Management and general	131,381	109,530
Fundraising	126,895	101,788
	<hr/>	<hr/>
TOTAL EXPENSES	2,917,015	2,268,697
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(45,487)</u>	<u>751,905</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	346,000	140,000
Restricted donations	-	125,100
Interest income	-	208
Net assets released from restrictions	<u>(341,492)</u>	<u>(122,213)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>4,508</u>	<u>143,095</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(40,979)</u>	<u>895,000</u>
NET ASSETS AT BEGINNING OF YEAR	<u>4,476,024</u>	<u>3,581,024</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,435,045</u>	<u>\$ 4,476,024</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022

	Program Services					Support Services		
	Healthy Habits Training Center	Thrift Market	Farm	Total Program Services	Management and General	Fundraising	Total Support Services	Total
PERSONNEL EXPENSES								
Salaries and wages	\$ 46,468	\$ 187,234	\$ 109,220	\$ 623,773	\$ 85,816	\$ 70,553	\$ 156,369	\$ 780,142
Employee taxes and benefits	3,801	15,204	8,869	50,680	6,969	5,702	12,671	63,351
TOTAL PERSONNEL EXPENSES	50,269	202,438	118,089	674,453	92,785	76,255	169,040	843,493
OPERATING EXPENSES								
Food distribution	1,454,386	-	-	1,454,386	-	-	-	1,454,386
Program expenses	131,600	-	-	131,600	-	-	-	131,600
Utilities	12,607	8,405	4,903	28,015	3,852	3,152	7,004	35,019
Supplies	41,645	10,753	15,285	70,580	6,114	818	6,932	77,512
Auto expense	18,459	-	-	18,459	-	-	-	18,459
Repairs and maintenance	26,554	954	2,225	33,548	7,481	1,431	8,912	42,460
Insurance	10,893	1,815	4,236	24,206	3,328	2,723	6,052	30,258
Professional services	7,297	858	3,433	17,753	13,853	1,563	15,415	33,168
Dues & subscriptions	7,613	-	-	7,613	1,132	150	1,282	8,895
Advertising	5,500	633	1,478	10,144	1,423	36,288	37,711	47,855
Travel and meetings	8,957	736	989	12,376	1,413	3,700	5,113	17,489
Bank charges	-	-	-	3,932	-	816	816	4,748
Depreciation	101,287	8,584	29,184	171,673	-	-	-	171,673
TOTAL OPERATING EXPENSES	1,826,798	18,578	74,446	1,984,286	38,596	50,640	89,236	2,073,522
TOTAL FUNCTIONAL EXPENSES	\$ 2,130,455	\$ 68,847	\$ 276,884	\$ 2,658,739	\$ 131,361	\$ 126,895	\$ 258,276	\$ 2,917,015

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

	Program Services					Support Services			Total
	Food Distribution	Healthy Habits Training Center	Thrift Market	Farm	Total Program Services	Management and General	Fundraising	Support Services	
PERSONNEL EXPENSES									
Salaries and wages	\$ 217,392	\$ 36,461	\$ 145,846	\$ 85,077	\$ 484,776	\$ 66,847	\$ 54,692	\$ 121,539	\$ 606,315
Employee taxes and benefits	17,735	3,009	12,466	8,109	41,319	5,713	4,674	10,387	51,706
TOTAL PERSONNEL EXPENSES	235,127	39,470	158,312	93,186	526,095	72,560	59,366	131,926	658,021
OPERATING EXPENSES									
Food distribution	1,197,909	-	-	-	1,197,909	-	-	-	1,197,909
Utilities	7,898	1,454	7,301	2,996	19,649	2,417	2,032	4,449	24,098
Supplies	21,928	1,708	3,211	14,081	40,928	4,396	190	4,586	45,514
Auto expense	19,718	-	481	55	20,254	105	1,400	1,505	21,759
Repairs and maintenance	22,871	-	-	2,946	25,817	7,068	-	7,068	32,885
Insurance	16,168	1,974	7,896	3,112	29,150	3,750	-	3,750	32,900
Professional services	1,894	-	-	-	1,894	17,294	251	17,545	19,439
Dues & subscriptions	3,337	-	-	-	3,337	537	-	537	3,874
Advertising	5,407	1,110	4,107	1,887	12,511	571	37,974	38,545	51,056
Travel and meetings	1,073	-	-	-	1,073	832	40	872	1,945
Bank charges	-	-	3,276	-	3,276	-	535	535	3,811
Depreciation	131,810	9,908	3,290	30,478	175,486	-	-	-	175,486
TOTAL OPERATING EXPENSES	1,430,013	16,154	29,562	55,555	1,531,284	36,970	42,422	79,392	1,610,676
TOTAL FUNCTIONAL EXPENSES	\$ 1,665,140	\$ 55,624	\$ 187,874	\$ 148,741	\$ 2,057,379	\$ 109,530	\$ 101,788	\$ 211,318	\$ 2,268,697

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	2022	2021
OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (40,979)	\$ 895,000
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	171,673	175,486
Unrealized gains (losses) on investments	208,409	(19,106)
Noncash PPP principal debt forgiveness	-	(96,904)
Decreases (increases) in assets:		
(Increase) decrease in accounts receivable	(388,952)	104,718
(Increase) decrease in inventory	110,486	(140,848)
Increase (decreases) in liabilities:		
Increase (decrease) in accounts payable	16,180	(58,140)
Increase (decrease) in sales tax payable	(291)	(44)
Increase (decrease) in deferred revenue	34,045	(206,272)
NET CASH PROVIDED BY OPERATING ACTIVITIES	110,571	653,890
INVESTING ACTIVITIES		
Purchase of fixed assets	(168,023)	(34,059)
Purchase of investments	(331,461)	(702,206)
NET CASH USED FOR INVESTING ACTIVITIES	(499,484)	(736,265)
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(388,913)	(82,375)
CASH AT BEGINNING OF YEAR	1,296,322	1,378,697
CASH AT END OF YEAR	\$ 907,409	\$ 1,296,322
 SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Noncash financing activities:		
PPP debt forgiveness - principal	\$ -	\$ 96,904

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Food Helpers D/B/A Greater Washington County Food Bank was incorporated in February 1998 to administer food grant programs and distribute food to needy persons in Washington County, Pennsylvania.

Food Helpers D/B/A Greater Washington County Food Bank is organized under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania. The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar provisions of the Commonwealth of Pennsylvania statute. The Organization has been determined by the Internal Revenue Service to not be a private foundation.

In March 2021, the Board of Directors approved to change the name of the Organization to Food Helpers.

Basic Programs

Food Distribution – The Organization distributes food to local food pantries as well as needy individuals within Washington County, Pennsylvania. In addition, the Organization educates the public about the nature of and solutions to the problems of hunger.

Healthy Habits Training Center – The Healthy Habits Training Center was established to provide nutritional, health and wellness education to residents of Washington County who are food insecure.

Thrift Market – The Thrift Market accepts gently used and new donations to provide items at a reduced cost to those in need within the community. These donations provide additional resources to enable the Organization to distribute food and promote education about nutrition and wellness.

Farm – The Farm is a community supported agricultural program that strives to provide healthy produce for those in need while promoting education, empowerment, and sustainable agriculture.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The financial statements of Food Helpers D/B/A Greater Washington County Food Bank are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Presentation of Financial Statements of Not-for-Profit Entities, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Food Helpers D/B/A Greater Washington County Food Bank had \$314,472 and \$309,964 of net assets with donor restrictions at September 30, 2022 or 2021, respectively.

Recently Issued Accounting Pronouncements

- In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance requires the rights and obligations of new and existing arrangements to be recognized as assets and liabilities on the statement of financial position. The Guidance will require disclosures to better inform financial statement users of the amount, timing and uncertainty of cash flows arising from leases. The primary impact of this guidance, which will be effective for periods beginning after December 15, 2021, will be to record right-of-use assets and obligations for current operating leases.

Cash and Cash Equivalents

For the purposes of the cash flows statement, the Organization considers investments with a maturity of three months or less to be cash equivalents.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Cash Balances

The cash and cash equivalents of the Organization are deposited in two financial institutions. Deposits in excess of the federally insured limits of \$250,000 per financial institution are subject to risk. The balances of the cash and cash equivalents fluctuate throughout the year based on the operations of the Organization.

Fair Value Measurement

The Organization applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10 for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 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. ASC 820-10 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Investments

The Organization reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

Investment income is recognized as revenue in the period it is earned and is reported net of investment fees. Gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Maintenance, Capitalization and Disposal Policies

Maintenance and repairs are charged to operations when paid. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

Donated Materials and Services

Donated materials or services when received are reflected as contributions in the accompanying statements at their estimated fair market values at date of receipt. Donated inventories are reflected as contributions in the accompanying statements. For the years ended September 30, 2022 and 2021, donated inventories are stated at \$1.74 per pound as established by the Feeding America Program guidelines.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Under generally accepted accounting principles for not-for-profit Organizations, contributions received are recorded 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 if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Expense Allocation

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted in a systematic and rational manner as determined by management.

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Utilities	Square footage

Use of Estimates

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

Compensated Absences

Full-time employees of Food Helpers D/B/A Greater Washington County Food Bank are entitled up to four weeks paid vacation annually, depending on years of service. Compensated absences must be used by the end of each fiscal year. Accordingly, the costs of compensated absences are recognized when it is actually paid to employees.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is recognized for federal and state income tax purposes as an Organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a). Donors are entitled to deductions from income tax for contributions made to the Organization in accordance with these regulations.

Food Helpers D/B/A Greater Washington County Food Bank has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 (formerly Interpretation Number 48 (FIN 48)), *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Management has determined that there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the financial statements. In addition, there were no penalties or interest recognized on the statements of activity as a result of the adoption. Food Helpers D/B/A Greater Washington County Food Bank's ASC 740-10 evaluation was performed for the tax years 2018 through 2021, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of September 30, 2022.

Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Organization has evaluated subsequent events through January 18, 2023, the date financial statements were available to be issued.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable outstanding at September 30, were as follows:

	<u>2022</u>	<u>2021</u>
Food purchase programs:		
Supplemental Nutrition Assistance Program	\$ -	\$ 6,500
Commodities Supplemental Food Program	24,570	6,275
Emergency Food and Shelter Program	<u>31,157</u>	<u>-</u>
Total food purchase programs	55,727	12,775
Cold Storage Project – American Rescue Plan Act (ARPA) Grant	<u>346,000</u>	<u>-</u>
Total accounts receivable	<u>\$401,727</u>	<u>\$12,775</u>

NOTE 3 – INVENTORY

Inventory is held and distributed to local food pantries and other needy individuals. Purchased inventory is stated at cost determined by the first-in, first-out method. For the years ended September 30, 2022 and 2021, inventories of donated commodities are stated at \$1.74 per pound as established by the Feeding America Program guidelines. Inventory purchased with support provided by food purchase programs must be distributed according to the program guidelines.

Inventory consisted of the following at September 30:

	<u>2022</u>	<u>2021</u>
A) Food Purchase Programs:		
Pennsylvania Agricultural Surplus System Program	\$ -	\$ 12,483
The Commodities Supplemental Food Program	<u>82,735</u>	<u>40,769</u>
Total inventory from food purchase programs	82,735	53,252
B) Donated or Purchased Inventory	<u>196,117</u>	<u>336,086</u>
Total Inventory	<u>\$278,852</u>	<u>\$389,338</u>

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 4 – INVESTMENTS

During the years ended September 30, 2022 and 2021, the Board approved \$296,000 and \$700,000, respectively, to be transferred from the cash in bank to three investment accounts. Investments are recorded in the statement of financial position at fair value.

Investments at September 30, 2022 consisted of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
<u>Investment without donor restrictions</u>		
Northwest Investments – Mutual Funds	\$425,865	\$ 529,463
American Funds – Mutual Funds	<u>418,498</u>	<u>509,507</u>
	<u>\$844,363</u>	<u>\$1,038,970</u>

Investments at September 30, 2021 consisted of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
<u>Investment without donor restrictions</u>		
Northwest Investments – Mutual Funds	\$523,788	\$501,704
American Funds – Mutual Funds	<u>197,524</u>	<u>200,502</u>
	<u>\$721,312</u>	<u>\$702,206</u>

The cash equivalents held by Northwest Investment Funds at September 30, 2022 and 2021 totaled \$7,237 and \$5,616, respectively. Investment fees for the years ended September 30, 2022 and 2021 were \$5,919 and \$4,223, respectively.

NOTE 5 – FIXED ASSETS

Fixed assets are recorded at cost. Donated fixed assets are recorded at fair market value on the date of the donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Building Improvements	15 Years
Furniture and Fixtures	5 Years
Equipment	3 to 5 Years
Vehicles	5 Years

Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are included as expenses as incurred. Depreciation expense for the years ended September 30, 2022 and 2021 was \$171,673 and \$175,486, respectively.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 6 – LINE OF CREDIT

On September 16, 2022, Food Helpers D/B/A Greater Washington County Food Bank entered into a line of credit agreement with Northwest Bank. The line of credit is secured by the investments held with Northwest Investment Services and expires on September 16, 2027. The total funds available from the line of credit are \$300,000 and the interest rate will vary based on the prime rate. At the time of securing the line of credit, the interest rate was 5.50 percent. The line of credit was not accessed during the year ended September 30, 2022.

NOTE 7 – GRANTS

Food Helpers D/B/A Greater Washington County Food Bank received the following grants during the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
A) Federal Grants:		
American Rescue Plan Act Grants:		
Emergency Food and Shelter Program	\$ 62,313	\$ -
Cold Storage Project	346,000	-
B) Local Grants:		
Neighborhood Assistance Program Tax Credit	-	140,000
Other local grants	<u>407,000</u>	<u>173,450</u>
Total grant revenue	<u>\$815,313</u>	<u>\$313,450</u>

NOTE 8 – DONATED FOOD

Food Helpers D/B/A Greater Washington County Food Bank receives donated food from various donors. These donations are distributed as soon as possible after receipt. During the years ended September 30, 2022 and 2021, the Organization recorded \$476,814 and \$826,128 in revenue from donated food, respectively.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 9 – FOOD PURCHASE PROGRAMS

Food Helpers D/B/A Greater Washington County Food Bank received support from the following food purchase programs during the year ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
The Emergency Food Assistance Program - Trade Mitigation	\$ 862	\$ 13,421
Commodities Supplemental Food Program Inventory	386,507	201,868
Administrative Support	67,659	48,985
Supplemental Nutrition Assistance Program	19,500	32,500
Pennsylvania Agricultural Surplus System	<u>36,714</u>	<u>56,031</u>
Total food purchase programs	<u>\$511,242</u>	<u>\$352,805</u>

NOTE 10 - NET ASSETS WITH DONOR RESTRICTITONS

The activity of Net Assets with Donor Restrictions consisted of the following:

Beginning balance – October 1, 2020	\$166,869
Grants	140,000
Donations from 2000 Turkey Committee	125,100
Interest income	208
Less: Net assets released from restrictions	<u>(122,213)</u>
Ending balance – September 30, 2021	\$309,964
Grants	346,000
Less: Net assets released from restrictions	<u>(341,492)</u>
Ending balance – September 30, 2022	<u>\$314,472</u>

For the year ended September 30, 2022, \$201,492 was released from restrictions for food distributions and \$100,000 was released due to compliance with grant agreements. For the year ended September 30, 2021, \$122,213 was released from restrictions for food distributions. Net Assets with Donor Restrictions at September 30, were held for the following purposes:

	<u>2022</u>	<u>2021</u>
The 2000 Turkey program	\$ -	\$169,964
Water Conservation	-	140,000
Cold Storage Project	<u>314,472</u>	-
Total	<u>\$314,472</u>	<u>\$309,964</u>

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 11 – CONCENTRATIONS OF RISK ARISING FROM REVENUE SOURCES

Food Helpers D/B/A Greater Washington County Food Bank received approximately twenty percent (20%) and twelve percent (12%) of its total support in the form of federal and state food purchase programs for the years ended September 30, 2022 and 2021. These grants require the fulfillment of certain conditions as set forth in the grant contracts. Failure to fulfill these conditions could result in the return of funds to the grantor. Although this possibility exists, the Organization deems the likelihood remote, since by accepting the grants and their terms, the Organization has accommodated the objectives of the various programs in relation to the provisions of the grants.

NOTE 12 – CONCENTRATIONS OF RISK ARISING FROM RECEIVABLES

Food Helpers D/B/A Greater Washington County Food Bank grants credit without collateral to various agencies and individuals who are deemed to be credit worthy. Management believes that its billing and collection policies are adequate to minimize potential risk.

NOTE 13 – CONTINGENCIES

Food Helpers D/B/A Greater Washington County Food Bank receives significant financial assistance from governmental agencies in the form of contracts, grants and other entitlements. The disbursement of funds received under such programs generally requires compliance with terms and conditions specified in the contract agreements and are subject to audit by grantor agencies. Any disallowed costs resulting from such audits could become a liability of Food Helpers D/B/A Greater Washington County Food Bank. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Food Helpers D/B/A Greater Washington County Food Bank's management expects such amounts, if any, to be immaterial.

NOTE 14 – PAYROLL PROTECTION PLAN LOAN PAYABLE

On May 14, 2020, Food Helpers D/B/A Greater Washington County Food Bank received loan proceeds in the amount of \$96,904 under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The loan bears interest at a rate of 1% annually, with payments deferred for six months from the origination date. The loan, as well as the accrued interest is forgivable under the CARES Act, as long as the organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its current level of full-time equivalent employees. Any amount not forgiven is payable over a two-year period. Food Helper D/B/A Greater Washington County Food Bank utilized the proceeds for the purposes consistent with the PPP requirements and the loan was fully forgiven during the year ended September 30, 2021. Therefore, debt forgiveness revenue of \$96,904 was recognized during the year ended September 30, 2021.

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 15 – LIQUIDITY

Food Helpers D/B/A Greater Washington County Food Bank’s financial assets available within one year of September 30, 2022 and 2021 for general expenses are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$907,409	\$1,296,322
Investments	844,363	721,312
Accounts receivables	<u>401,727</u>	<u>12,775</u>
Total financial assets	<u>\$2,153,499</u>	<u>\$2,030,409</u>
Less: restricted for specified purpose by donor	<u>(314,472)</u>	<u>(309,964)</u>
Total financial assets available	<u>\$1,839,027</u>	<u>\$1,720,445</u>

As part of the organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

NOTE 16 – SUBSEQUENT EVENTS

On November 29, 2022, Food Helpers D/B/A Greater Washington County Food Bank entered into an agreement to purchase the property adjacent to their property for \$150,000. The closing occurred on January 16, 2023. Food Helpers D/B/A Greater Washington County Food Bank received \$100,000 in grants to apply towards the purchase of the property. The remaining \$50,000 was provided by reserves held by the Organization.

FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF ACTIVITIES - BY PROGRAM
YEAR ENDED SEPTEMBER 30, 2022

	Program Services				Support Services			Total
	Food Distribution	Healthy Habits Training Center	Thrift Market	Farm	Total Program Services	Management and General	Fundraising	
UNRESTRICTED SUPPORT AND REVENUE								
Grants	\$ 451,313	\$ -	\$ -	\$ 18,000	\$ 469,313	\$ -	\$ -	\$ 469,313
Food purchase programs	491,742	19,500	-	-	511,242	-	-	511,242
Contributions and donated inventory	1,481,830	-	226,269	375	1,708,474	-	-	1,708,474
Program fees	11,786	-	-	550	12,336	-	-	12,336
Investment income	37,080	-	-	-	37,080	-	-	37,080
Unrealized gains (losses) on investments	(208,409)	-	-	-	(208,409)	-	-	(208,409)
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,265,342	19,500	226,269	18,925	2,530,036	-	-	2,530,036
Net assets released from restrictions	201,492	-	-	140,000	341,492	-	-	341,492
TOTAL UNRESTRICTED SUPPORT, REVENUE AND RECLASSIFICATIONS	2,466,834	19,500	226,269	158,925	2,871,528	-	-	2,871,528
PERSONNEL EXPENSES								
Salaries and wages	280,851	46,468	187,234	109,220	623,773	85,816	70,553	780,142
Employee taxes and benefits	22,806	3,801	15,204	8,869	50,680	6,969	5,702	63,351
TOTAL PERSONNEL EXPENSES	303,657	50,269	202,438	118,089	674,453	92,785	76,255	843,493
OPERATING EXPENSES								
Food distribution	1,454,386	-	-	-	1,454,386	-	-	1,454,386
Utilities	12,607	2,101	8,405	4,903	28,015	3,852	3,152	35,019
Supplies	41,645	2,897	10,753	15,285	70,580	6,114	818	77,512
Auto expense	18,459	-	-	-	18,459	-	-	18,459
Repairs and maintenance	26,554	954	3,815	2,225	33,548	7,481	1,431	42,460
Insurance	10,893	1,815	7,262	4,236	24,206	3,328	2,723	30,258
Professional services	7,297	858	3,433	6,164	17,753	13,853	1,563	33,168
Dues & subscriptions	7,613	-	-	-	7,613	1,132	160	8,895
Advertising	5,500	633	2,533	1,478	10,144	1,423	36,288	47,855
Travel and meetings	8,957	736	1,695	989	12,376	1,413	3,700	17,489
Bank charges	-	-	3,932	-	3,932	-	816	4,748
Depreciation	101,287	8,584	32,618	29,184	171,673	-	-	171,673
TOTAL OPERATING EXPENSES	1,826,798	18,578	74,446	64,464	1,984,286	38,596	50,640	2,073,522
Proration of administrative services expenses	196,290	15,497	20,662	25,828	258,276	(131,381)	(126,895)	-
TOTAL FUNCTIONAL EXPENSES	2,326,745	84,344	297,546	208,380	2,917,015	-	-	2,917,015
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	140,089	(64,844)	(71,277)	(49,455)	(45,487)	-	-	(45,487)
TEMPORARILY RESTRICTED NET ASSETS:								
Grants and donations	346,000	-	-	-	346,000	-	-	346,000
Net assets released from restrictions	(201,492)	-	-	(140,000)	(341,492)	-	-	(341,492)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	144,508	-	-	(140,000)	4,508	-	-	4,508
INCREASE (DECREASE) IN NET ASSETS	\$ 284,597	\$ (64,844)	\$ (71,277)	\$ (189,455)	\$ (40,979)	-	-	\$ (40,979)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
STATEMENT OF ACTIVITIES - BY PROGRAM
YEAR ENDED SEPTEMBER 30, 2021

	Program Services				Support Services			Total
	Food Distribution	Healthy Habits Training Center	Thrift Market	Farm	Total Program Services	Management and General	Fundraising	
UNRESTRICTED SUPPORT AND REVENUE								
Grants	\$ 99,250	\$ 52,500	\$ -	\$ 21,700	\$ 173,450	\$ -	\$ -	\$ 173,450
CARES Act - State Food Purchase Program	206,272	-	-	-	206,272	-	-	206,272
Food purchase programs	352,805	-	-	-	352,805	-	-	352,805
Payroll protection plan program debt forgiveness	34,885	5,814	23,257	13,567	77,523	10,659	8,721	19,381
Contributions and donated inventory	1,696,034	-	314,840	-	2,010,874	-	-	2,010,874
Program fees	7,397	171	-	13,177	20,745	-	-	20,745
Unrealized gains (losses) on investments	-	-	-	-	-	19,106	-	19,106
Investment and other income	8,872	-	-	-	8,872	9,361	-	19,106
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,405,515	58,485	338,097	48,444	2,850,541	39,126	8,721	2,898,389
Net assets released from restrictions	122,213	-	-	-	122,213	-	-	122,213
TOTAL UNRESTRICTED SUPPORT, REVENUE AND RECLASSIFICATIONS	2,527,728	58,485	338,097	48,444	2,972,754	39,126	8,721	3,020,602
PERSONNEL EXPENSES								
Salaries and wages	217,392	36,461	145,846	85,077	484,776	66,847	54,692	121,539
Employee taxes and benefits	17,735	3,009	12,466	8,109	41,319	5,713	4,674	10,387
TOTAL PERSONNEL EXPENSES	235,127	39,470	158,312	93,186	526,095	72,560	59,366	131,926
OPERATING EXPENSES								
Food distribution	1,197,909	-	-	-	1,197,909	-	-	1,197,909
Utilities	7,898	1,454	7,301	2,996	19,649	2,417	2,032	4,449
Supplies	21,928	1,708	3,211	14,081	40,928	4,396	190	4,586
Auto expense	19,718	-	481	55	20,254	105	1,400	1,505
Repairs and maintenance	22,871	-	-	2,946	25,817	7,068	-	7,068
Insurance	16,168	1,974	7,896	3,112	29,150	3,750	-	3,750
Professional services	1,894	-	-	-	1,894	17,294	251	19,439
Dues & subscriptions	3,337	-	-	-	3,337	537	-	3,874
Advertising	5,407	1,110	4,107	1,887	12,511	571	37,974	38,545
Travel and meetings	1,073	-	-	-	1,073	832	40	1,945
Bank charges	-	-	3,276	-	3,276	-	535	535
Depreciation	131,810	9,908	3,290	30,478	175,486	-	-	175,486
TOTAL OPERATING EXPENSES	1,430,013	16,154	29,562	55,555	1,531,284	36,970	42,422	1,610,676
Proration of administrative services expenses	124,238	9,808	13,078	16,347	163,471	(70,404)	(93,067)	(163,471)
TOTAL FUNCTIONAL EXPENSES	1,789,378	65,432	200,952	165,098	2,220,850	39,126	8,721	2,268,697
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	738,351	(6,947)	137,145	(116,644)	751,905	-	-	751,905
TEMPORARILY RESTRICTED NET ASSETS:								
Grants and donations	125,100	-	-	140,000	265,100	-	-	265,100
Interest income	208	-	-	-	208	-	-	208
Net assets released from restrictions	(122,213)	-	-	-	(122,213)	-	-	(122,213)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	3,095	-	-	140,000	143,095	-	-	143,095
INCREASE (DECREASE) IN NET ASSETS	\$ 741,446	\$ (6,947)	\$ 137,145	\$ 23,356	\$ 895,000	\$ -	\$ -	\$ 895,000

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**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
Food Helpers
D/B/A Greater Washington County Food Bank

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 Food Helpers D/B/A Greater Washington County Food Bank (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Food Helpers D/B/A Greater Washington County Food Bank'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 Food Helpers D/B/A Greater Washington County Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Helpers D/B/A Greater Washington County Food Bank'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be a material weakness.

Report on Compliance and Other matters

As part of obtaining reasonable assurance about whether Food Helpers D/B/A Greater Washington County Food Bank'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 determination of financial statement amounts. 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*.

Food Helpers D/B/A Greater Washington County Food Bank's Response to Findings

Food Helpers D/B/A Greater Washington County Food Bank's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Food Helpers D/B/A Greater Washington County Food Bank's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Palermo/Kissinger & Associates, P.C.
Washington, PA
January 18, 2023

**FOOD HELPERS
D/B/A GREATER WASHINGTON COUNTY FOOD BANK
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2022**

MATERIAL WEAKNESS:

2022-001 – Monthly and Year-End Balance Sheet Reconciliations

Condition: Based on the nature and volume of the audit adjustments necessary for the year ended September 30, 2022, the Organization's monthly and year-end closing procedures were lacking in both process and oversight to prevent the internal monthly and year-end financial statements from being free of material misstatements.

Criteria: A comprehensive monthly and year-end Balance Sheet reconciliation process is a necessary component of a strong internal control system to allow for management and the Board to receive accurate and timely financial reports.

Effect: Material audit adjustments were made to record Investment activity not recorded in the general ledger; to record distributions from the Washington Financial Wealth Management bank account, to adjust the value of inventory on-hand; to adjust the value of food inventory received and distributed, and to record the accounts payable and accrued payroll at September 30, 2022.

Cause: The Organization did not perform monthly or year-end Balance Sheet reconciliations on certain significant Balance Sheet accounts. Each of these adjustments would have been identified timely by a monthly Balance Sheet reconciliation procedure.

Recommendation: We have reviewed the audit adjustments and discussed the material weakness with the CEO. We recommend the CEO develop a Corrective Action Plan to sufficiently address the matter. We recommend the CEO and the Board provide oversight to assure the plan is properly implemented, followed and monitored.

Managements Response: Management agrees with the finding and recommendation. Management has developed and implemented a correction action plan to address this finding.