



FOOD FOR THE POOR, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

FOOD FOR THE POOR, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Audit Committee
Food for the Poor, Inc.
Coconut Creek, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Food for the Poor, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

Boca Raton, Florida
April 28, 2022

FOOD FOR THE POOR, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,694,051	\$ 32,778,021
Contributions receivable	1,361,879	1,909,186
Promises to give, net	5,226,406	2,381,585
Goods pending distribution	4,198,815	11,794,954
Prepaid expenses	1,430,102	1,490,716
Investments	15,689,034	12,948,278
Other assets	722,771	348,475
TOTAL CURRENT ASSETS	<u>54,323,058</u>	<u>63,651,215</u>
PROMISES TO GIVE, net of current portion	175,652	1,607,938
PROPERTY, BUILDING AND EQUIPMENT, at cost, less accumulated depreciation	<u>11,697,438</u>	<u>11,747,939</u>
TOTAL ASSETS	<u>\$ 66,196,148</u>	<u>\$ 77,007,092</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 8,170,733</u>	<u>\$ 6,137,966</u>
TOTAL CURRENT LIABILITIES	<u>8,170,733</u>	<u>6,137,966</u>
PAYCHECK PROTECTION PROGRAM LOAN	<u>-</u>	<u>4,593,057</u>
NET ASSETS		
Without donor restrictions	49,127,807	60,251,933
With donor restrictions	<u>8,897,608</u>	<u>6,024,136</u>
TOTAL NET ASSETS	<u>58,025,415</u>	<u>66,276,069</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 66,196,148</u>	<u>\$ 77,007,092</u>

See Notes to Financial Statements

FOOD FOR THE POOR, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
SUPPORT AND REVENUE				
Contributions:				
Cash	\$ 145,999,998	\$ -	\$ 145,999,998	\$ 142,697,304
Donated goods	701,235,117	-	701,235,117	608,035,948
Promises to give	504,154	4,101,928	4,606,082	4,171,325
Investment earnings	237,755	40,617	278,372	120,344
Other income	168,324	-	168,324	123,721
Gain on forgiveness of				
Paycheck Protection Program loan	4,593,057	-	4,593,057	-
Net assets released from restrictions	1,269,073	(1,269,073)	-	-
TOTAL SUPPORT AND REVENUE	854,007,478	2,873,472	856,880,950	755,148,642
EXPENSES				
Program services:				
Educational	20,616,263	-	20,616,263	17,157,619
Basic needs	192,617,112	-	192,617,112	166,480,109
Healthcare	548,941,921	-	548,941,921	447,063,186
Community support and development	47,125,400	-	47,125,400	46,318,459
Total program services	<u>809,300,696</u>	<u>-</u>	<u>809,300,696</u>	<u>677,019,373</u>
Supporting services:				
Fundraising	42,970,376	-	42,970,376	37,536,316
Management and general	12,860,532	-	12,860,532	12,970,064
Total supporting services	<u>55,830,908</u>	<u>-</u>	<u>55,830,908</u>	<u>50,506,380</u>
TOTAL EXPENSES	865,131,604	-	865,131,604	727,525,753
CHANGE IN NET ASSETS	(11,124,126)	2,873,472	(8,250,654)	27,622,889
NET ASSETS - Beginning	60,251,933	6,024,136	66,276,069	38,653,180
NET ASSETS - Ending	<u>\$ 49,127,807</u>	<u>\$ 8,897,608</u>	<u>\$ 58,025,415</u>	<u>\$ 66,276,069</u>

See Notes to Financial Statements

FOOD FOR THE POOR, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Program Services					Supporting Services			Totals	
	Educational Programs	Basic Needs Programs	Healthcare Programs	Community Support & Development Programs	Total	Fundraising Expenses	Management and General Expenses	Total	2021	2020
	Food, medical and other commodities	\$ 14,616,056	\$ 140,123,886	\$ 539,955,843	\$ 29,326,975	\$ 724,022,760	\$ -	\$ -	\$ -	\$ 724,022,760
Grants and other assistance	4,845,243	38,286,476	3,188,919	15,083,386	61,404,024	-	-	-	61,404,024	40,909,306
Salaries and related expenses	261,762	2,468,691	972,583	610,403	4,313,439	16,666,106	8,002,493	24,668,599	28,982,038	27,185,554
Freight	862,703	11,450,421	4,711,255	2,033,514	19,057,893	-	-	-	19,057,893	14,130,254
Printed materials and publicity	1,282	12,089	4,763	2,989	21,123	17,195,475	35,870	17,231,345	17,252,468	14,554,804
Postage	2,668	25,163	9,914	6,222	43,967	6,873,960	28,495	6,902,455	6,946,422	6,127,451
Travel	437	4,119	1,623	1,019	7,198	274,708	6,884	281,592	288,790	429,914
Other office expenses	3,258	30,727	12,105	7,597	53,687	84,971	1,382,380	1,467,351	1,521,038	1,372,600
Professional services	3,751	35,373	13,936	8,746	61,806	1,106,722	902,525	2,009,247	2,071,053	1,356,952
Depreciation	7,844	73,978	29,145	18,292	129,259	86,173	322,241	408,414	537,673	539,096
Office supplies	893	8,423	3,319	2,083	14,718	144,500	136,608	281,108	295,826	282,202
Data processing	941	8,877	3,497	2,195	15,510	317,640	1,360,414	1,678,054	1,693,564	1,633,283
Repairs and maintenance	6,126	57,777	22,762	14,286	100,951	69,684	72,797	142,481	243,432	246,408
Insurance	-	-	-	-	-	-	327,470	327,470	327,470	274,998
Courier and miscellaneous freight	465	4,388	1,729	1,085	7,667	104,443	4,651	109,094	116,761	63,897
Telephone	218	2,054	809	508	3,589	17,257	109,694	126,951	130,540	134,848
Occupancy	2,616	24,670	9,719	6,100	43,105	28,737	30,790	59,527	102,632	104,214
Total expenses before uncollectible pledges	20,616,263	192,617,112	548,941,921	47,125,400	809,300,696	42,970,376	12,723,312	55,693,688	864,994,384	726,976,299
Uncollectible pledges	-	-	-	-	-	-	137,220	137,220	137,220	549,454
Total expenses	\$ 20,616,263	\$ 192,617,112	\$ 548,941,921	\$ 47,125,400	\$ 809,300,696	\$ 42,970,376	\$ 12,860,532	\$ 55,830,908	\$ 865,131,604	\$ 727,525,753

See Notes to Financial Statements

FOOD FOR THE POOR, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (8,250,654)	\$ 27,622,889
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	537,673	539,096
Gain on forgiveness of Paycheck Protection Program loan	(4,593,057)	-
Unrealized gain on investments	(93,859)	(32,146)
Provision for losses on promises to give	137,220	549,454
Change in in-kind goods pending distribution	7,596,139	(8,853,549)
Decrease (increase) in operating assets:		
Contributions receivable	234,435	(1,491,856)
Promises to give	(1,236,883)	(712,313)
Goods pending distribution	-	56,853
Prepaid expenses	60,614	(533,635)
Other assets	(374,296)	(223,478)
Increase in operating liabilities:		
Accounts payable and accrued liabilities	2,032,767	315,790
NET CASH FLOWS FROM OPERATING ACTIVITIES	(3,949,901)	17,237,105
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,031,116)	(12,507,698)
Acquisition of property and equipment	(487,172)	(196,179)
Proceeds from sale of investments	384,219	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,134,069)	(12,703,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	4,593,057
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	4,593,057
NET (DECREASE) INCREASE IN CASH	(7,083,970)	9,126,285
CASH, BEGINNING OF YEAR	32,778,021	23,651,736
CASH, END OF YEAR	\$ 25,694,051	\$ 32,778,021

See Notes to Financial Statements

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of activities and summary of significant accounting policies

Nature of activities - Food for the Poor, Inc. (the "Organization") is a not-for-profit corporation engaged in the collection and distribution of money, food, clothing, medicine and other goods to improve the health, economic and social conditions of indigent poor throughout the world. Activities are concentrated in the Caribbean and Latin America.

To help fulfill its mission, the Organization establishes projects throughout the year. These non-contractual programs are budgeted and funded over the course of the year. However, funding for some of these projects may extend beyond the year end. The balance to be apportioned based on project budgets as of December 31, 2021 was approximately \$11,428,000.

Going concern evaluation - On an annual basis, as required by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), 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. Management has concluded that there is no material uncertainty related to the Organization's ability to continue as a going concern through the date the financial statements were available to be issued.

Basis of accounting and presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("US GAAP") which requires that the Organization report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets are available for general use and are not subject to donor restrictions. Net assets without donor restriction also include the investment in property, building, and equipment, net of accumulated depreciation, and contributions receivable.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any net assets at December 31, 2021 where the donor-imposed restriction was perpetual in nature.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) **Nature of activities and summary of significant accounting policies (continued)**

Basis of accounting and presentation (continued)

The Organization classifies program services into the following categories:

Educational - The Organization provides educational supplies such as school furniture, books, computers, etc. as well as funding to build schools.

Basic Needs - The Organization provides support for basic needs such as food, clothing, and shelter.

Healthcare - The Organization provides medicine, medical clinics, and medical supplies to poor families in developing countries.

Community Support and Development - The Organization provides funding and support to help poor families with development and self-help projects such as animal husbandry, fruit tree nurseries, fishing villages, and aquaculture ponds so that families can generate income.

Fair value measurements – FASB ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Organization recognizes transfers between levels once annually at each year end.

Cash and cash equivalents - The Organization considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of activities and summary of significant accounting policies (continued)

Contributions receivable - Contributions receivable represent contributions without donor restrictions that are awaiting settlement by one of the Organization's credit card merchants. Such settlements occur generally within one week.

Promises to give - Contributions are recognized at fair value when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that included donor imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine the estimated unconditional promises receivable that are doubtful of collection. The allowance is based on prior years' experience and management's analysis of specific promises made. The Organization also discounts to present value the estimated future cash flows using an appropriate market rate of interest for its promises to give greater than one year. Therefore, promises to give are recorded at their net realizable value.

Goods pending distribution - The Organization's goods that are pending distribution consist of both donated and purchased goods. Donated goods are valued at their estimated fair value using the valuation methods described below and the purchased goods are stated at cost at the time of purchase. At December 31, 2021, the Organization had approximately \$4,199,000 of goods pending distribution.

Investments - Investments are stated at their estimated fair value. Investments received by gift are initially recorded at the estimated fair value at the date of receipt. In recording investment income, such income is recorded as a change in net assets with or without donor restrictions depending on any donor stipulations on the use of income. Investment earnings are reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property, building and equipment - Acquisitions of property, building and equipment in excess of \$1,500 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized. Property, building and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Land is reported at cost. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recognized. Other repairs and maintenance are charged to expense as incurred.

Donations of property, building and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated assets to a specific purpose.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of activities and summary of significant accounting policies (continued)

Contributions - Contributions are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions.

Contributed services are recognized as contributions at their estimated fair value, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Services provided by volunteers throughout the year are not recognized as contributions in the financial statements since these services are not susceptible to objective measurement or valuation.

The Organization classifies contributions received with donor-imposed restrictions where the restrictions are satisfied in the same reporting period as contributions without donor restrictions.

Gifts-in-kind - Gifts-in-kind ("GIK") received through private donations are recorded and valued as revenue at their estimated fair value based upon the Organization's estimate of the wholesale values that would be received for selling the goods in their principal or most advantageous market, even though, in fulfillment of its mission, the Organization may not distribute goods in the principal or most advantageous market.

Non-pharmaceutical GIK contributions received are valued at their estimated wholesale value as provided by the donor or, in the absence of the donor's reasonable valuation, estimated by the Organization using like-kind analyses and past donation history.

The Organization embraces the strategy of continual improvement and periodically evaluates industry trends and available data with the goal of providing the most accurate estimates for its GIK valuations. Pharmaceutical GIK contributions received are valued using costing data acquired from recognized and published resources and are valued at their estimated National Average Drug Acquisition Cost ("NADAC") on a drug by drug basis. If NADAC is not available, such items are valued at their estimated wholesale acquisition cost ("WAC") also on a drug by drug basis. If WAC is not available in any published source, the Organization will refer to the donor's value. NADAC costs are transactional wholesale costs (wholesale value less discounts, incentives, etc.), whereas WAC values are manufacturers' published wholesale values (no discounts, incentives, etc.).

This current valuation policy most resembles one used by a wholesale distributor of goods, which is the market role the Organization has in the acquisition and shipment of pharmaceutical donations. Pharmaceutical GIK contributions acquired from non-U.S. donors for products legally permissible to be sold outside the United States are valued in U.S. dollars based upon the wholesale market price of the countries representing the principal exit markets for those products.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of activities and summary of significant accounting policies (continued)

Gifts-in-kind (continued)

GIK expenses are recorded when the goods are shipped for program use, generally to third party aid organizations.

At times, the Organization may act as intermediary between donors and other organizations in the transfer of GIK. Such transactions are not reflected on the Organization's statement of financial position or statement of activities. GIK related to these transactions is valued in the same manner previously described. For the year ended December 31, 2021, the Organization acted as an intermediary for GIK with an estimated value of approximately \$4,400,000.

Freight - Shipping and handling costs are included in goods pending distribution in the accompanying statement of financial position upon receipt of goods and are expensed and included in freight costs in the accompanying statement of functional expenses upon the shipment to recipients.

Functional expenses - The cost of providing the various programs and activities and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Directly identifiable expenses are charged to the respective program and supporting services.

Expenses related to more than one function are initially charged to programs and supporting services primarily based on a percentage of estimated utilized square footage of the Organization's facility. Expenses related to more than one program are allocated based on a percentage of the number of containers shipped and/or the number of on-going projects related to the type of program. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising - Advertising costs are expensed as incurred and were approximately \$328,000 for the year ended December 31, 2021, and are included with printed materials and publicity in the accompanying statement of functional expenses.

Use of estimates - The accompanying financial statements have been prepared in conformity with US GAAP. In preparing the financial statements, management is required 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 support and revenue and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates. The most significant of these estimates relates to the estimation of the fair value of GIK. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of activities and summary of significant accounting policies (continued)

Use of estimates (continued)

At December 31, 2021, promises to give includes approximately \$3,900,000 due from an estate which is based upon the estate's valuation. This value could change upon final settlement of the estate.

Income taxes - The Organization is a not-for-profit organization and a public charity, as described in Section 501(c)(3) and 509(a) of the Internal Revenue Code, and is exempt from Federal income taxes, except that unrelated business income is taxable. The Organization had no material unrelated business income during the year ended December 31, 2021. US GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Organization were to incur an income tax liability in the future, interest and penalties would be reported as income taxes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Organization is no longer subject to income tax examinations for the years prior to 2018.

Recent accounting pronouncements - In September 2020, FASB issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958) – Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is intended to increase transparency of contributed non-financial assets for not-for-profit entities through enhancements to presentation and disclosure and applies to all not-for-profit entities. The amendments in ASU 2020-07 should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. The Organization is currently assessing the impact ASU 2020-07 may have on its financial statements.

(2) Liquidity and availability

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash and cash equivalents, investments, contributions receivable, and promises to give.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of distributing goods and funds to the poor as well as the conduct of services undertaken to support those activities to be general expenditures.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(2) Liquidity and availability (continued)

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a surplus budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following tables show the total financial assets held by the Organization and the amounts of those financial assets available within one year of the statement of financial position date to meet general expenditures at December 31, 2021.

Financial assets at year end:

Cash and cash equivalents	\$ 25,694,051
Investments	15,689,034
Contributions receivable	1,361,879
Promises to give, net	<u>5,402,058</u>
Total financial assets at year end	<u>\$ 48,147,022</u>

Financial assets available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 25,694,051
Investments	15,171,271
Contributions receivable	1,361,879
Promises to give for general expenditures due in one year or less	<u>4,338,526</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 46,565,727</u>

(3) Concentrations of risk

Financial instruments, which potentially subject the Organization to concentrations of risk, consist principally of cash and cash equivalents and support from major contributors.

Cash and cash equivalents - As of December 31, 2021, the Organization had cash and cash equivalent balances of approximately \$20,800,000 in excess of Federal Deposit Insurance Corporation ("FDIC") limits. As of December 31, 2021, approximately \$797,000 of cash equivalents are held at one brokerage and not FDIC insured. The Organization maintains its cash and cash equivalents with high quality financial institutions which the Organization believes limits its risks.

Support from major contributors - The Organization received approximately 46% of total support and revenue from two donors during 2021. These contributions were in the form of donated goods.

As of December 31, 2021, approximately 84% of gross promises to give was due from one donor.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(4) Promises to give

Promises to give consist of the following at December 31, 2021:

Receivable in less than one year	\$ 5,226,406
Receivable in one to five years	883,130
Greater than five years	<u>6,800</u>
Total promises to give	6,116,336
Less: allowance for uncollectible promises to give	(700,000)
Less: discount to present value	<u>(14,278)</u>
Net promises to give	<u><u>\$ 5,402,058</u></u>

Promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of .97% for the year ended December 31, 2021.

(5) Investments

The following table summarizes the valuation of the Organization's investments by ASC 820 defined categories as of December 31, 2021.

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Fixed Income				
Exchange-traded funds	\$ 2,909,229	\$ -	\$ -	\$ 2,909,229
Mutual funds	11,067,417	-	-	11,067,417
	<u>13,976,646</u>	<u>-</u>	<u>-</u>	<u>13,976,646</u>
Equities				
Exchange-traded funds	1,489,201	-	-	1,489,201
Mutual funds	50,904	-	-	50,904
Bank Deposits	172,283	-	-	172,283
	<u>\$ 15,689,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,689,034</u>

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(5) Investments (continued)

The following is a description of the valuation methodologies used for Organization's significant investment assets measured at fair value as of December 31, 2021.

Exchange-traded funds – Valued at the market price as reported by the fund. Exchange traded funds are registered with the Securities and Exchange Commission (“SEC”). The funds allow intraday trading at market values derived from the underlying securities of the companies comprising the related index. These funds are deemed to be actively traded.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds are deemed to be actively traded.

Bank deposits – The carrying amount approximates the fair value due to the short maturities of these instruments.

The portion of unrealized gains for the year ended December 31, 2021 that relates to equity securities still held at December 31, 2021 is approximately \$94,000.

(6) Property, building and equipment

Property, building and equipment consist of the following at December 31, 2021:

		<u>Estimated Useful Lives</u>
Land	\$ 3,952,144	-
Land improvements	1,030,140	20 years
Building	10,404,663	40 years
Furniture and fixtures	839,460	7 years
Equipment	2,950,362	5-10 years
Vehicles	181,371	5 years
	<u>19,358,140</u>	
Less: accumulated depreciation	<u>(7,660,702)</u>	
Total property, building and equipment, net	<u>\$ 11,697,438</u>	

Depreciation expense for the year ended December 31, 2021 was approximately \$538,000.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Gift annuities

The Organization entered into a gift annuity agreement, which provided for unrestricted cash of approximately \$4,800 at December 31, 2021 and called for the Organization to make fixed annual payments to the donor in future years. The Organization has agreements with two top rated insurance companies whereby the insurance companies would assume the annuity payment liabilities. The liability represents the present value of the future payouts using an average discount rate of 2.2%. The Organization pays the insurance company the present value of the annuities.

The Organization remains contingently liable for the future payments on the gift annuities in the event that the insurance companies default on the payments. As of December 31, 2021, the Organization was contingently liable for reinsured gift annuities totaling approximately \$4,682,000.

During 2021, the Organization received a nominal amount of contributions under charitable gift annuity arrangements for which the Organization remains directly liable for future payments to the donors as such arrangements were not reinsured through the insurance companies. As of December 31, 2021, the actuarially determined liability related to these gift annuities was approximately \$29,000.

(8) Paycheck Protection Program loan

During the year ended December 31, 2020, the Organization applied for and received a forgivable Paycheck Protection Program loan of approximately \$4,600,000 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act. The Organization received notification on June 24, 2021, that the full amount of the loan had been forgiven and as a result, recorded a gain on forgiveness in the amount of approximately \$4,600,000 during the year ended December 31, 2021.

(9) Net assets with donor imposed restrictions

Net assets with donor imposed restrictions are available for the following as of December 31, 2021:

Promises to give (time restrictions)	\$ 4,245,645
Promises to give (purpose restrictions)	4,325,250
Goods and aid	<u>326,713</u>
Net assets with donor imposed restrictions	<u><u>\$ 8,897,608</u></u>

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(9) Net assets with donor imposed restrictions (continued)

Net assets with donor imposed restrictions were released during the year ended December 31, 2021 for the following purposes:

Satisfactions of promises to give (time restrictions)	\$ 1,268,673
Goods and aid distributed	<u>400</u>
Total net assets released from donor imposed restrictions	<u><u>\$ 1,269,073</u></u>

(10) Related parties and other organizations

Associated charities - The Organization is associated with four charities. These charities were established with the name "Food for the Poor – (country name)" and are based in Canada, Jamaica, Haiti and Guyana. Except for Food for the Poor – Canada, each of the charities operates distribution centers in their base country. The Organization has no ownership or voting interest in these charities. In 2021, the Organization made distributions of approximately \$357,408,000 to these associated charities.

Related charities - The Organization distributes goods through various charities in which some board members hold executive positions. In 2021, the Organization made distributions of approximately \$761,000 through these related charities.

Distributions - Program expenses in the accompanying statement of activities includes the distributions made to associated and related charities totaling approximately \$358,169,000, of which approximately \$25,226,000 was in cash and approximately \$332,943,000 was in goods for the year ended December 31, 2021.

(11) Contingencies

Grants and contracts awarded to the Organization are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged. Expenditures are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to the reductions of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered through the year ended December 31, 2021.

FOOD FOR THE POOR, INC.

NOTES TO FINANCIAL STATEMENTS

(11) Contingencies (continued)

Certain grants awarded by the U.S. Government are subject to appropriations and funding thereof that may result in delays or even suspension of funding as a result of U.S. Government budgetary constraints imposed by the U.S. Congress.

During 2018, the Attorney General of California (the "State") initiated several actions against the Organization pertaining to its solicitations and questioning its financial presentations as it pertains to GIK valuations. In September 2019, the Administrative Judge determined that the State did not prove its case regarding improper GIK valuation and had not proved that there was any violation of the Organization's application of US GAAP in its financial statements. After numerous trials and appeals and following final hearings held in March 2021, a California Superior Court Judge ruled in favor of the Organization and vacated the Cease and Desist Order and \$1 million fine that had been imposed against the Organization by the State. The final judgment, entered on July 6, 2021, included an injunction against the State's enforcement of invalidated sections of the Charitable Supervision Act. The State has appealed the decision.

(12) Retirement plan

The Organization maintains a 403(b)(7) ERISA Title 1 Plan (the "Plan") which covers all employees. Participants may elect to contribute up to 100% of their wages, as limited by current federal tax law. Additionally, the Organization matches 50% of participating employees' contributions up to the first 6% of their salary deferral. For 2021, the Organization accrued approximately \$434,100 of contributions to the Plan all of which is included in accounts payable and accrued liabilities in the accompanying statement of financial position and salaries and related expenses in the accompanying statement of functional expenses. The assets of the Plan are the property of the Plan's participants and their beneficiaries; therefore, the assets of the Plan are not included in the accompanying financial statements.

(13) Subsequent events

Management has evaluated subsequent events through April 28, 2022, which is the date that the financial statements were available to be issued.

The Organization is not aware of any other events that have occurred subsequent to the date of the statement of financial position that would require adjustment to, or disclosure in, the accompanying financial statements.

SUPPLEMENTAL INFORMATION

FOOD FOR THE POOR, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Contract or Grant Number	Passed through to Subrecipients	Expenditures		
				Cash	In-Kind	Total
U.S. Agency for International Development (USAID)						
Direct Programs						
Ocean Freight Reimbursement Program (OFR)	98.003	7200AA19GR00030	\$ -	\$ 52,750	\$ -	\$ 52,750
Foreign Assistance to American Schools and Hospitals Abroad (ASHA)	98.006	72ASHA18CA00018	42,345	42,345	-	42,345
Foreign Assistance to American Schools and Hospitals Abroad (ASHA)	98.006	72ASHA19CA00013	125,345	125,345	-	125,345
Total Foreign Assistance to American Schools and Hospitals Abroad (ASHA)			167,690	167,690	-	167,690
Foreign Food Aid Donation Cluster						
Food for Peace Emergency Program (EP)	98.008	72DFFP20FA00007	313,793	85,671	228,122	313,793
Food for Peace Emergency Program (EP)	98.008	720BHA21FA00013	234,875	-	234,875	234,875
Total Foreign Food Aid Donation Cluster			548,668	85,671	462,997	548,668
Total U.S. Agency for International Development (USAID)			716,358	306,111	462,997	769,108
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 716,358	\$ 306,111	\$ 462,997	\$ 769,108

See Independent Auditors' Report and Accompanying Notes to Schedule of Expenditures of Federal Awards

FOOD FOR THE POOR, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

(1) Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Food for the Poor, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the 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"). Because the Schedule presents only a selected portion of the operations of Food for the Poor, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Food for the Poor, Inc.

(2) Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Nonmonetary (In-Kind) assistance is reported in the Schedule at the fair market value of the food commodities received and disbursed during the year ended December 31, 2021. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Food for the Poor, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The period of performance for certain grants is dictated by the achievement of certain milestones specified in the respective grant agreement.

See Independent Auditors' Report

REPORTING UNDER *GOVERNMENT AUDITING STANDARDS*



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

Board of Directors and Audit Committee

FOOD FOR THE POOR, 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 Food for the Poor, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 28, 2022.

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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mayer Hoffman McCann P.C.

Boca Raton, Florida
April 28, 2022

REPORTING UNDER THE UNIFORM GUIDANCE



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

Board of Directors and Audit Committee

FOOD FOR THE POOR, INC.

Report on Compliance for Each Major Federal Program

We have audited Food for the Poor, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2021. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Major Federal Program

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

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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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, 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Mayer Hoffman McCann P.C.

Boca Raton, Florida
April 28, 2022

FOOD FOR THE POOR, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2021

SECTION 1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | |
|--|---------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with US GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

- | | |
|---|---------------|
| 1. Internal control over the major program: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 2. Type of auditors' report issued on compliance for major program: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Identification of the major federal program: | |

Assistance Listing Number
98.008

Name of Federal Program or Cluster
Food for Peace Emergency Program (EP)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

FOOD FOR THE POOR, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2021

SECTION 2

Financial Statement Findings

None reported.