

AMERICA'S SECOND HARVEST OF THE BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2025

AMERICA'S SECOND HARVEST OF THE BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
America's Second Harvest of the Big Bend, Inc.
d/b/a Second Harvest of the Big Bend
Tallahassee, FL

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of America's Second Harvest of the Big Bend, Inc. d/b/a Second Harvest of the Big Bend and Subsidiary (the "Organization"), a Florida not-for-profit corporation, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, 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 (GAAP).

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OTHER MATTER

The consolidated financial statements of the Organization as of June 30, 2024, were audited by other auditors whose report dated April 10, 2025, expressed an unmodified opinion on those consolidated financial statements. As more fully described in Note 15 to the consolidated financial statements, the Organization restated its June 30, 2024 net assets to correct an error related to the timing of revenue recognition for federal commodities. The other auditors reported on the consolidated financial statements before the restatement.

As part of our audit of the 2025 consolidated financial statements, we also audited the adjustment described in Note 15 that was applied to restate the June 30, 2024 net assets. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review or apply any procedures to the 2024 consolidated financial statements of the Organization other than with respect to the adjustment, and accordingly, we do not express an opinion or any other form of assurance on the 2024 consolidated financial statements as a whole.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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, internal omissions, misrepresentations, or the override of internal controls. 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 GAAS 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 consolidated 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 consolidated 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 consolidated 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 SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Organization taken as a whole. The schedules of expenditures of federal awards and state financial assistance on pages 24-25, as required by Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*, respectively, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the consolidated 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 March 26, 2026, 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.

Baker Tilly US, LLP

Nashville, Tennessee
March 26, 2026

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

ASSETS

Cash and cash equivalents	\$ 3,685,852
Grants and contracts receivable	2,192,537
Other accounts receivable	32,625
Inventories	1,628,190
Prepaid expenses and other current assets	476,330
Investments	4,083,526
Due from SHBB Tallahassee Investment Fund	9,114,000
Right-of-use assets, operating leases	145,913
Property and equipment, net	7,532,831
Beneficial interest in assets held by Community Foundation	8,297
Restricted cash and cash equivalents	<u>9,036,790</u>
 TOTAL ASSETS	 <u>\$ 37,936,891</u>

LIABILITIES

Accounts payable and accrued expenses	\$ 917,163
Refundable advances	1,463,955
Operating lease liabilities	146,797
Long-term debt	<u>17,867,950</u>
 TOTAL LIABILITIES	 <u>20,395,865</u>

NET ASSETS

Without donor restrictions	11,483,610
With donor restrictions	<u>6,057,416</u>
 TOTAL NET ASSETS	 <u>17,541,026</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 37,936,891</u>

See accompanying notes to financial statements.

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Totals</u>
PUBLIC SUPPORT AND REVENUE			
Contributions of cash and financial assets	\$ 3,659,563	\$ 1,610,969	\$ 5,270,532
Contributions of non-financial assets	23,249,857	-	23,249,857
Grants and contracts	4,920,248	2,513,163	7,433,411
Government grants - commodities	8,978,531	-	8,978,531
Shared maintenance fees	532,398	-	532,398
Investment income, net	485,900	5,847	491,747
Miscellaneous	2,537	-	2,537
Net assets released in satisfaction of program restrictions	<u>700,306</u>	<u>(700,306)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>42,529,340</u>	<u>3,429,673</u>	<u>45,959,013</u>
EXPENSES			
Program services:			
Child nutrition	911,658	-	911,658
Family nutrition	37,011,461	-	37,011,461
Senior nutrition	1,499,801	-	1,499,801
Garden/farm special projects	<u>12,072</u>	<u>-</u>	<u>12,072</u>
Total program services	<u>39,434,992</u>	<u>-</u>	<u>39,434,992</u>
Supporting services:			
General and administrative	755,920	-	755,920
Fundraising	<u>1,183,986</u>	<u>-</u>	<u>1,183,986</u>
Total supporting services	<u>1,939,906</u>	<u>-</u>	<u>1,939,906</u>
TOTAL EXPENSES	<u>41,374,898</u>	<u>-</u>	<u>41,374,898</u>
CHANGE IN NET ASSETS	1,154,442	3,429,673	4,584,115
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	<u>10,329,168</u>	<u>2,627,743</u>	<u>12,956,911</u>
NET ASSETS - END OF YEAR	<u>\$ 11,483,610</u>	<u>\$ 6,057,416</u>	<u>\$ 17,541,026</u>

See accompanying notes to financial statements.

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTALS
	CHILD NUTRITION	FAMILY NUTRITION	SENIOR NUTRITION	GARDEN/FARM SPECIAL PROJECTS	TOTAL PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL SUPPORTING SERVICES	
Salaries and wages	\$ 239,406	\$ 1,349,661	\$ 55,478	\$ -	\$ 1,644,545	\$ 385,872	\$ 402,728	\$ 788,600	\$ 2,433,145
Employee benefits	44,746	249,915	10,615	-	305,276	47,155	53,018	100,173	405,449
Payroll taxes	18,409	105,025	4,476	-	127,910	29,692	30,820	60,512	188,422
TOTAL SALARIES AND RELATED EXPENSES	302,561	1,704,601	70,569	-	2,077,731	462,719	486,566	949,285	3,027,016
Contract food services	-	1,298,593	64,302	-	1,362,895	20,404	-	20,404	1,383,299
Purchased food distributed	125,626	1,968,134	-	-	2,093,760	-	-	-	2,093,760
Advertising and marketing	-	-	-	-	-	512	2,903	3,415	3,415
Depreciation	85,950	284,711	37,693	-	408,264	64,463	64,463	128,926	537,190
Dues and subscriptions	899	3,894	599	-	5,392	8,387	16,176	24,563	29,955
Interest and bank fees	-	1,651	-	-	1,651	1,651	161,770	163,421	165,072
Insurance	31,920	105,734	13,965	-	151,619	23,940	23,940	47,880	199,499
Miscellaneous	-	9,135	-	12,072	21,207	11,093	326	11,419	32,626
Professional services	11,339	51,855	4,399	-	67,593	114,440	345,780	460,220	527,813
Program and warehouse costs	16,622	348,286	4,434	-	369,342	1,718	77	1,795	371,137
Repairs and maintenance	4,345	74,964	3,177	-	82,486	4,222	23,243	27,465	109,951
Supplies and office expenses	714	17,132	308	-	18,154	14,649	41,415	56,064	74,218
Transportation and freight	5,652	396,821	8,814	-	411,287	1,508	647	2,155	413,442
Travel and meetings	1,402	30,133	701	-	32,236	22,424	15,417	37,841	70,077
Utilities	2,527	116,228	2,527	-	121,282	3,790	1,263	5,053	126,335
TOTAL EXPENSES BEFORE NON-CASH ITEMS	589,557	6,411,872	211,398	12,072	7,224,899	755,920	1,183,986	1,939,906	9,164,805
Value of donated food distributed	232,316	22,069,984	929,262	-	23,231,562	-	-	-	23,231,562
Value of commodities distributed	89,785	8,529,605	359,141	-	8,978,531	-	-	-	8,978,531
TOTAL EXPENSES	\$ 911,658	\$ 37,011,461	\$ 1,499,801	\$ 12,072	\$ 39,434,992	\$ 755,920	\$ 1,183,986	\$ 1,939,906	\$ 41,374,898

See accompanying notes to financial statements.

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 4,584,115
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	537,190
Net noncash activity of lease assets and liabilities	884
Donated stock	(197,647)
Contributions and grants for long term purposes	(2,923,777)
Realized and unrealized gains on investments	(218,589)
(Increase) decrease in:	
Grants and contracts receivable	(15,388)
Other accounts receivable	15,734
Inventories	403,481
Prepaid expenses and other current assets	(360,013)
Increase (decrease) in:	
Accounts payable and accrued expenses	(204,890)
Refundable advances	134,822
TOTAL ADJUSTMENTS	(2,828,193)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,755,922
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	24,305
Purchases of investments	(164,268)
Interest capitalized as part of construction in progress	(563,924)
Additions to property and equipment	(2,080,239)
NET CASH USED IN INVESTING ACTIVITIES	(2,784,126)
CASH FLOWS FROM FINANCING ACTIVITIES	
Collections of contributions and grants for long term purposes	2,923,777
Payments on long-term debt	(2,203,439)
NET CASH PROVIDED BY FINANCING ACTIVITIES	720,338
NET CHANGE IN CASH	(307,866)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	13,030,508
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 12,722,642
Cash and cash equivalents	\$ 3,685,852
Restricted cash and cash equivalents	9,036,790
TOTAL CASH AND CASH EQUIVALENTS	\$ 12,722,642
OTHER CASH FLOW DISCLOSURES:	
Cash paid for interest	\$ 655,064

See accompanying notes to financial statements.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 - GENERAL

America's Second Harvest of the Big Bend, Inc. d/b/a/ Second Harvest of the Big Bend (the "Food Bank") is a not-for-profit corporation organized under the laws of the State of Florida in July 1989. The Food Bank is a member of Feeding America, whose mission is to: 1) feed the hungry by soliciting and distributing marketable but surplus food to a nationwide network of organizations; 2) develop, certify, and support the organization's efforts to channel food products to local nonprofit charities that provide services to the needy; 3) serve as a liaison between organizations and the donors, and 4) educate the public about the nature of and solutions to the problems of hunger.

In January 2024, SHBB Real Estate, Inc., a not-for-profit corporation, was formed to operate exclusively for the benefit of America's Second Harvest of the Big Bend, Inc. SHBB Real Estate, Inc. is presented as a wholly owned subsidiary of the Food Bank in these consolidated financial statements. Collectively the Food Bank and SHBB Real Estate, Inc. are referred to as the "Organization". SHBB Real Estate, Inc. is a Qualified Active Low-Income Community Business (QALICB) to receive investments through the New Market Tax Credit (NMTC) program for purposes of construction of a 28,500 square foot expansion of the Organization's warehouse to increase food distribution to its service area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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. These net assets may be used at the discretion of the Organization's management and the Board of Directors (the "Board").

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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statement of Activities.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The consolidated financial statements include the accounts of America's Second Harvest of the Big Bend, Inc. d/b/a/ Second Harvest of the Big Bend and its subsidiary as noted above. All significant intercompany accounts and transactions have been eliminated in consolidation.

Contributions and Grants

Contributions are recognized when cash, other financial assets or unconditional promises to give are received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to recognize the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Grants awarded by various federal, state and local agencies are generally considered nonreciprocal transactions restricted by sponsors for certain purposes. Grant revenue is recognized when the conditions upon which it depends are substantially met, which primarily is when qualifying expenses occur. Payments received in advance of conditions being met and the value of undistributed food commodities are recorded as deferred revenue on the Consolidated Statement of Financial Position.

Contributions of Non-Financial Assets

Any gifts of equipment, facilities or materials are reported as net assets without donor restrictions unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as net assets with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

The Organization receives significant contributions of donated food products, both in the form of unrestricted contributions and commodities distribution programs. These items are utilized in the Organization's programs. Valuation of these items is discussed in the inventories note below.

Donated services are recognized if the services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization, and are valued at fair market value of similar items if purchased. These non-financial assets are utilized in the Organization's programs or as part of fundraising activities.

A substantial number of unpaid volunteers have contributed their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these statements since it does not meet the criteria noted above.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Shared maintenance fees are recognized as revenue at a point in time when performance obligations under the terms of the contracts with customers are satisfied. This revenue stream is separately presented in the consolidated statement of activities and had accounts receivable of \$48,359 and \$32,625 at the beginning and end of the year, respectively.

Cash and Cash Equivalents

Cash consists principally of checking and deposit account balances.

Restricted Cash and Cash Equivalents

Restricted cash represents amounts related to the NMTC program that are explicitly for the purpose of the building expansion project as contractually required by a lender and related fee reserves.

Grants and Contracts and Other Accounts Receivable

Grants and contracts receivable primarily represent amounts due for services provided by the Organization under federal grant funding. Other accounts receivable amounts represent amounts due for shared maintenance and program purchase fees, which represent fees for food and nonfood items provided by the Organization. The Organization estimates an allowance for credit losses on other accounts receivable, which may not be fully collectible, based on its knowledge of agency's individual credit circumstances, the Organization's historical loss experience and current economic conditions. Management has determined no allowance for credit losses is necessary for the year ended June 30, 2025.

Inventories

Food inventories include donated food, purchased inventory, manufactured product and undistributed commodities (United States Department of Agriculture ("USDA")). Donated food received from food drives, food companies, grocery stores and Feeding America® is valued at the estimated average market value at the date of gift for all noncash donations, based on a study commissioned by Feeding America®, updated annually and coincides with the most recently available report at the beginning of the Organization's fiscal year. Commodity inventory (USDA) is valued at the Feeding America® rate for food-only donations and is recognized as both grant revenue and program service expense when distributed. Purchased inventory is reported at cost, which approximates the lower of cost or net realizable value. Feeding America values were as follows for the year ended June 30, 2025:

Donated food	\$ 1.97 per lb
Commodities (food-only rate)	\$ 1.74 per lb

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist of money market accounts, exchange-traded funds, and mutual funds. Money market accounts are carried at cash value plus accrued interest. Exchange traded funds and mutual funds are carried at their quoted market value on the last business day of the reporting period. Interest and dividends, as well as changes in unrealized gains and losses, are recognized currently in the Consolidated Statement of Activities.

Beneficial Interest in Assets Held by Community Foundation

The Organization's beneficial interest in an agency endowment fund (the "fund") held by the Community Foundation of Northern Florida (CFNF) is recognized as an asset. Investment income and changes in the value of the fund are recognized in the Consolidated Statement of Activities, and distributions received from the fund are recorded as decreases in the beneficial interest. Earnings on the fund are used for operating expenses to support the Organization.

The Organization has granted variance power to the CFNF, and the CFNF has the ultimate authority and control over the fund and the income derived therefrom. The fund is charged an administrative fee by the CFNF annually. Distributions to the Organization from the fund are based upon a spending policy adopted annually by the Board of the CFNF. The CFNF's current spending policy is 4% of the 20-quarter average market value of the funds beginning with the last quarter of the immediately preceding year.

Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$2,500 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: five to thirty-nine years for buildings and improvements, five to fifteen years for office and warehouse furniture and equipment, five years for transportation equipment and five years for manufacturing equipment.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization made an accounting policy election available under Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 842 not to recognize right-of-use ("ROU") assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization used the discount rate implicit in the lease agreement, if readily determinable. For leases in which the rate implicit in the lease agreement is not readily determinable, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Fair Value Measurements

The Organization classifies its assets and liabilities measured at fair value based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Investments - Exchange-traded funds and mutual funds are classified within Level 1 where quoted market prices are available in an active market for identical assets. If quoted market prices are unavailable, fair value is estimated using quoted prices of investments with similar characteristics, and the investments are classified within Level 2.

There have been no significant changes in the valuation methodologies since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Funds

The Organization's endowment consists of funds established by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income or specific portions thereof be used to provide long-term stability for the Organization. The Organization's endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and the State of Florida's State Uniform Prudent Management of Institutional Funds Act.

Interpretation of applicable law - The Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending policy - When distributions are made, the amount will be calculated using a rolling 36-month, quarterly average balance. The finance committee will then distribute at least 5.5% out of the endowment. No more than 1.5% of the earnings can be used for administrative costs. The annual net earnings will be used toward food and food services in the Big Ben geographic area.

Investment policy - The purpose and objectives of the investment policy is to maximize long-term investment performance, within appropriate risk limits and diversification parameters. Investment strategies will be geared toward long-term growth, protection of capital, and annual dividends in the range of 6-8%.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - includes activities carried out to fulfill the Organization's mission, resulting in services provided to feed those facing hunger in the Big Bend of Florida. The Organization tracks disbursements through internal metrics of child nutrition, family nutrition, senior nutrition and garden/farm special projects.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Supporting Services

Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include Organization oversight, business management, recordkeeping, budgeting, financing and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management. Expenses related to salaries and wages, employee benefits and payroll taxes are allocated based on actual percentages of time spent in each functional area. Expenses related to purchased food distributed, advertising and marketing, depreciation, dues and subscriptions, interest and bank fees, insurance, miscellaneous, travel and meetings, utilities, value of donated food distributed, and value of donated commodities are allocated across functional areas based on a fixed percentage.

Income Taxes

The Food Bank and SHBB Real Estate, Inc. qualify as not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

The Food Bank and its subsidiary each file a U.S. Federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring after Reporting Date

The Organization has evaluated events and transactions that occurred between June 30, 2025 and March 26, 2026, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The Organization maintains its financial assets primarily in cash to provide liquidity to ensure funds are available as the Organization's expenditures come due. Financial assets available for general expenditure, that is, without donor and other restrictions limiting their use, within one year of June 30, comprise the following:

Cash	\$ 3,685,852
Grants and contracts receivable	2,192,537
Shared maintenance fee receivable	32,625
Investments	<u>4,083,526</u>
	<u>9,994,540</u>
Less amounts not available to be used within one year:	
Net assets above with donor-imposed restrictions	2,944,263
Contractual restriction - collateralized investments on loan	<u>2,500,000</u>
	<u>5,444,263</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,550,277</u>

In addition, the Organization has a \$750,000 line of credit available to meet cash flow needs.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4 - INVENTORIES

Inventories consisted of the following at June 30:

Donated food	\$ 584,244
Purchased food	192,712
TEFAP/USDA commodities	704,249
CSFP commodities	<u>146,985</u>
	<u>\$ 1,628,190</u>

The Organization held inventory for the Federal Emergency Management Agency (FEMA) in the amount of \$68,792 as of June 30, 2025. This inventory is the property of FEMA and is available to be distributed by the Organization in the event of an emergency. FEMA dictates when the inventory can be distributed. The FEMA inventory is excluded from the inventory reported on the Consolidated Statement of Financial Position.

NOTE 5 - INVESTMENTS

Investments consisted of the following at June 30:

Money market accounts	\$ 224,270
Exchange traded funds	2,303,090
Mutual funds	<u>1,556,166</u>
	<u>\$ 4,083,526</u>

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 - FAIR VALUE MEASUREMENTS

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market accounts	\$ 224,270	\$ 224,270	\$ -	\$ -
Exchange traded funds	2,303,090	2,303,090	-	-
Mutual funds	<u>1,556,166</u>	<u>1,556,166</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>4,083,526</u>	<u>4,083,526</u>	<u>-</u>	<u>-</u>
Beneficial interest in CFNF	<u>8,297</u>	<u>-</u>	<u>8,297</u>	<u>-</u>
Total	<u>\$ 4,091,823</u>	<u>\$ 4,083,526</u>	<u>\$ 8,297</u>	<u>\$ -</u>

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

Land	\$ 447,810
Building and improvements	2,835,150
Office and warehouse furniture and equipment	644,602
Transportation equipment	1,526,667
Manufacturing equipment	486,230
Construction in progress	<u>3,356,527</u>
	9,296,986
Less accumulated depreciation	<u>1,764,155</u>
	<u>\$ 7,532,831</u>

Construction in progress represents total costs paid toward the warehouse construction expansion project. Total remaining costs to finish the warehouse expansion as of June 30, 2025 is estimated to be approximately \$7,844,000. The project is expected to be complete in June 2026.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 - LINE OF CREDIT

The Organization has a \$750,000 line of credit maturing in June 2027. Interest is payable monthly at a variable rate of Prime +0.50% (8.00% at June 30, 2025), with the outstanding principal balance payable at maturity. The line is secured by the Organization's inventory, accounts, equipment and general assets. As of June 30, 2025 there was no outstanding balance under this line of credit.

NOTE 9 - LONG TERM DEBT

On March 6, 2024, the Organization entered into a New Market Tax Credit (NMTC) financing transaction to provide the funding to expand its warehouse in Tallahassee, Florida. As part of the transaction, the Organization made a loan of \$9,114,000 to the SHBB Tallahassee Investment Fund, LLC (the Fund). The loan receivable maturity date is March 6, 2048, and carries an interest rate of 1%. Quarterly interest only payments are made until March 2031, after which quarterly principal and interest payments are made through the maturity date.

In conjunction with the transaction, Truist Community Capital, LLC contributed \$4,602,557 to the Fund and Truist Community Capital, LLC received NMTC's in return for its investment in the Fund.

Also as part of the NMTC financing transaction, the Organization entered into Qualified Low Income Community Investment (QLICI) loans with three sub-CDEs (each with two tranches - an A loan and a B loan). These loans are for a term of thirty-years, at 1.28% interest dated March 2024. Quarterly interest-only payments are required for the first seven years of the loans starting on June 1, 2024. Starting June 1, 2031, quarterly principal and interest payments are due through the end of the loan term. All outstanding principal, accrued and unpaid interest, late payment charges and other amounts chargeable under the loan are due in full on maturity date.

The NMTC loans consisted of the following at June 30:

TCC QLICI A loan	\$ 1,376,000
TCC QLICI B loan	624,000
CCG QLICI A loan	4,248,000
CCG QLICI B loan	1,632,000
HRV QLICI A loan	3,490,000
HRV QLICI A loan	<u>1,410,000</u>
	<u>\$ 12,780,000</u>

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 9 - LONG TERM DEBT (CONTINUED)

The Organization also has other long-term debt as follows at June 30, 2025:

A fifteen-year, 0%, \$50,000 note payable to the City of Tallahassee received during July 2015. No payments are due for the first five years of the loan. Payments of \$10,000 commence on the completion of the sixth year from the date of the full execution of the loan agreement and continue until the loan is paid in full. The Food Bank is negotiating loan forgiveness with the City and is pending payment until a decision is reached. Payments have not commenced as of June 30, 2025. \$ 50,000

A four-year, variable rate equal to Term Secured Overnight Financing Rate (SOFR) plus 2.60% per annum, \$7,400,000 note payable to Truist Bank received during March 2024. The note is collateralized by a Truist investment account with a market value of \$3,935,860 on June 30, 2025. Principal payments based on the total campaign contributions received during the prior month less accrued interest due on the 4th day of each month beginning April 4, 2024. A final payment of all outstanding principal plus any unpaid interest and any other amounts owed are due on March 4, 5,037,950

5,087,950

QLICI loans 12,780,000

Total long-term debt \$ 17,867,950

Required maturities on the notes payable at June 30, 2025 are as follows:

Year Ending June 30:

2026	\$ 50,000	
2027	-	
2028	5,037,950	*
2029	-	
2030	-	
Thereafter	<u>12,780,000</u>	
	<u>\$ 17,867,950</u>	

* Contractual maturity date for the Truist Bank note. Actual principal payments are based on total campaign contributions received during the prior month, less accrued interest. As of report date, the entire balance of this loan has been repaid.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 9 - LONG TERM DEBT (CONTINUED)

The Truist Bank loan agreement contains covenants pertaining to insurance, taxes, reporting, financial ratios and various other covenants. The Organization was in compliance with these requirements as of June 30, 2025.

NOTE 10 - LEASES

The Organization leases various office equipment and certain transportation equipment under operating leases. Additionally, the Organization leases other equipment on a short-term basis, which are not included in the calculated lease liability or right-of-use asset below.

The components of lease expense are as follows for the year ended June 30,:

Operating lease cost	\$ 92,586
Short-term lease cost	<u>35,847</u>
Total lease cost	<u>\$ 128,433</u>
Operating leases:	
Operating lease right-of-use assets	<u>\$ 145,913</u>
Operating lease liabilities, current	\$ 82,060
Operating lease liabilities, net of current portion	<u>64,737</u>
Total operating lease liabilities	<u>\$ 146,797</u>

Additional information related to leases is as follows as of June 30,:

Weighted-average remaining lease term:	
Operating leases	1.86 years
Weighted-average discount rate:	
Operating leases	2.10%

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10 - LEASES (CONTINUED)

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of June 30, 2025:

2026	\$	82,500
2027		61,290
2028		<u>4,308</u>
Total lease payments		148,098
Less imputed interest		<u>(1,301)</u>
Total present value of lease liabilities	\$	<u>146,797</u>

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30:

Purpose restrictions		
Food sourcing capacity	\$	151,166
Agency capacity		235,139
Resource development		62,346
Protein room		202,204
Mobile pantry		87,681
Senior citizen support		143,000
Network services assessment		172,294
Lotts Garden		10,171
Unappropriated endowment earnings		5,847
Other		5,552
Time and purpose restrictions		
Warehouse expansion		4,881,837
Perpetuity		
Endowment corpus		<u>100,179</u>
	\$	<u>6,057,416</u>

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 12 - ENDOWMENT FUNDS

A summary of changes in the donor restricted endowment follows for the year ended June 30:

Endowment net assets, July 1, 2024	\$ -
Contributions	100,179
Investment earnings	5,847
Appropriations	<u>-</u>
Endowment net assets, June 30, 2025	<u>\$ 106,026</u>

NOTE 13 - EMPLOYEE BENEFIT PLAN

The Organization has a Simple IRA that covers substantially all full-time employees. Employer contributions under this plan were \$60,644 for the year ended June 30, 2025.

NOTE 14 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Organization's cash balance, from time to time, may exceed statutory limits. The Organization has not experienced any losses in such accounts and considers this to be a normal business risk.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

At June 30, 2025, the Organization recorded grants and contracts receivable from one government agency of \$1,733,019 or approximately 79% of total grants and contracts receivable.

During the year ended June 30, 2025, the Organization recorded total revenue from one government agency of \$13,579,751 or approximately 29% of total revenues.

The Organization receives substantial funding from federal and state grant awards. The current political climate could affect future funding that could impact the Organization's ability to provide services at the current level. While no specific reductions in funding have been confirmed, this is an area of ongoing concern.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 15 - PRIOR PERIOD RESTATEMENT

The Organization has been recognizing revenue for certain federal commodities at the time of receipt, even when the grantor retained a substantive right of return. Under U.S. GAAP, contributed inventory subject to a donor's right of return should not be recognized as revenue until the conditions of the donation are satisfied. For these federal commodity donations, the condition is met when the commodity is distributed to agencies.

Accordingly, the Organization has corrected its accounting policy to defer recognition of federal commodities revenue until the related commodity items are distributed. Federal commodity inventory received but subject to a right of return is now recorded as a refundable advance (a liability) until distribution occurs.

This correction has been applied retrospectively, and the previously issued net asset balances have been restated. The effect of the restatement was to decrease opening net assets without donor restriction, as well as total net assets, and to increase refundable advances for \$1,269,133. The 2024 change in net assets would have decreased by \$656,292 (both in total and in net assets without donor restriction) to \$796,332 and \$2,231,729, respectively.

Management believes the corrected accounting treatment more accurately reflects the conditions associated with federal commodities subject to return rights and provides more reliable and relevant information to consolidated financial statement users.

SUPPLEMENTARY INFORMATION

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

<u>FEDERAL GRANTOR / PROGRAM OR CLUSTER TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>CONTRACT OR PASS-THROUGH IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through State of Florida Department of Agriculture and Consumer Services:</i>				
Local Food Purchase Agreements with States, Tribes, and Local Governments	10.182	30067	\$ 2,115,362	\$ 1,272,783
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Administrative Costs)	10.187	29708	24,000	-
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Food Commodities)	10.187	29708	1,368,999	-
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Administrative Costs)	10.187	29709	3,000	-
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Food Commodities)	10.187	29709	1,091,784	-
<i>Passed Through Feeding the Gulf Coast:</i>				
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Administrative Costs)	10.187	29707	2,774	-
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Food Commodities)	10.187	29707	149,619	-
Total ALN 10.187			2,640,176	-
Child Nutrition Cluster				
<i>Passed Through State of Florida Department of Agriculture and Consumer Services:</i>				
Summer Food Service Program for Children (SFSP)	10.559	018644	339,408	-
Food Distribution Cluster				
<i>Passed Through State of Florida Department of Agriculture and Consumer Services:</i>				
Commodity Supplement Food Program (Administrative Costs)	10.565	28143	133,193	-
Commodity Supplemental Food Program (Food Commodities)	10.565	28142 / 28143	1,026,776	-
Emergency Food Assistance Program (Administrative Costs)	10.568	27872	62,516	-
Emergency Food Assistance Program (Administrative Costs)	10.568	27873	27,785	-
Emergency Food Assistance Program (Food Commodities)	10.569	27872 / 27873	5,335,695	-
<i>Passed Through Feeding the Gulf Coast:</i>				
Commodity Supplement Food Program (Administrative Costs)	10.565	28142	22,934	-
Emergency Food Assistance Program (Administrative Costs)	10.568	27871	42,021	-
Total Food Distribution Cluster			6,650,920	-
<i>Passed Through Rural Housing Service:</i>				
Community Facilities Loans and Grants	10.766	N/A	107,265	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,853,131	1,272,783
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	B-23-CP-FL-0412	305,697	-
Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	B-24-CP-FL-0598	464,512	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT / ALN 14.251			770,209	-
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Emergency Food and Shelter National Board Program	97.024		8,523	-
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY / ALN 97.024			8,523	-
TOTAL EXPENDITURE OF FEDERAL AWARDS			\$ 12,631,863	\$ 1,272,783

See notes to Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance on page 26.

AMERICA'S SECOND HARVEST OF BIG BEND, INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025

<u>STATE GRANTING AGENCY / GRANT PROGRAM TITLE</u>	<u>STATE CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES			
Support for Food Banks	42.019	30392	\$ 1,050,157
Support for Food Banks	42.019	31548	<u>182,585</u>
TOTAL DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES			<u>1,232,742</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 1,232,742</u>

See notes to Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance on page 26.

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedules") includes the grant activity of America's Second Harvest of the Big Bend, Inc. d/b/a Second Harvest of the Big Bend (the "Organization") under programs of the federal government and the State of Florida for the year ended June 30, 2025. The information in these Schedules 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) and the State of Florida, Department of Financial Services' *State Projects Compliance Supplement*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - NONCASH ASSISTANCE

The value of federal awards expended in the form of food commodities totaled \$8,972,873 for the year ended June 30, 2025.

OTHER REPORTS

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*

INDEPENDENT AUDITORS' REPORT

Board of Directors
America's Second Harvest of the Big Bend, Inc.
d/b/a Second Harvest of the Big Bend
Tallahassee, FL

We have audited, 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 (*Government Auditing Standards*), the consolidated financial statements of America's Second Harvest of the Big Bend, Inc. d/b/a Second Harvest of the Big Bend (the "Organization"), a Florida not-for-profit corporation, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2026.

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 the 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 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 a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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*.

THE ORGANIZATION'S RESPONSE TO FINDING

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Nashville, Tennessee

March 26, 2026

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

INDEPENDENT AUDITORS' REPORT

Board of Directors
America's Second Harvest of the Big Bend, Inc.
d/b/a Second Harvest of the Big Bend
Tallahassee, FL

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited America's Second Harvest of the Big Bend, Inc. d/b/a Second Harvest of the Big Bend (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2025. The Organization's major federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2025.

BASIS FOR OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida Auditor General* ("Chapter 10.650"). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, 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 each 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 and state projects.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, we:

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Baker Tilly US, LLP

Nashville, Tennessee
March 26, 2026

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards and State Projects

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.656, *Rules of the Auditor General*?

☐ yes ☒ no

Identification of major federal and state programs:

ALN(s) / CSFA

Name of Federal Program or Cluster or State Project

10.565, 10.568 and 10.569
14.251

Federal Programs

Food Distribution Cluster

Economic Development Initiative, Community Project Funding, and
Miscellaneous Grants

42.019

State Projects

Support for Food Banks

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

AMERICA'S SECOND HARVEST OF THE BIG BEND INC.
D/B/A SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

Section II - Financial Statement Findings

Material Weakness

2025-001: Internal Controls Over Financial Reporting

Criteria: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls should include proper revenue recognition of federal commodities subject to a donor's right of return and conditional revenue recognition until such time that the commodities are distributed.

Condition: The Organization had been recognizing revenue for certain federal commodities at the time of receipt, even when the grantor retained a substantive right of return.

Cause: The Organization recognized all donated food in the same manner, as revenue when received.

Effect or potential effect: The weakness in internal control resulted in a material audit adjustment. The adjustment was necessary to reduce opening net assets without donor restriction and increase refundable advances in the consolidated financial statements. The impact of this change did not impact federal expenditures as reported in the prior year.

Recommendation: Management should implement a review process for all future agreements to examine the existence of a substantive right of return.

Views of responsible officials: Management acknowledges this finding and will make the recommended adjusting entry to correct the opening balance. All current and future commodities received will be evaluated for a grantor's substantive right of return. If such right exists, the commodities will be recorded as a refundable advance until time of distribution or condition is fulfilled.

Section III - Federal Award Findings and Questioned Costs

None.

Major State Projects Findings and Questioned Costs

None.

Section IV - Summary of Prior Year Audit Findings

None.



March 26, 2026

Baker Tilly US, LLP
555 Great Circle Road
Nashville, Tennessee 37228

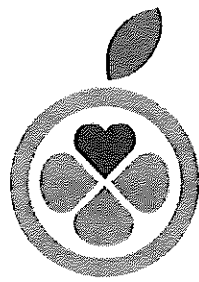
Dear Baker Tilly US, LLP:

This representation letter is provided in connection with your audit of the consolidated financial statements of America's Second Harvest of the Big Bend, Inc. d/b/a Second Harvest of the Big Bend and Subsidiary (the "Organization") which comprise the consolidated statement of financial position as of June 30, 2025 and the related consolidated statement of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements for the purpose of expressing an opinion on whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

We confirm that, to the best of our knowledge and belief, as of March 26, 2026, the following representations made to you during your audit.

Financial Statement

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and the Uniform Guidance.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

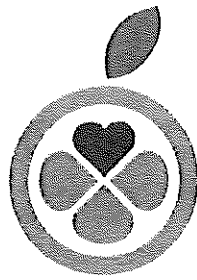


Second Harvest OF THE BIG BEND

- 4) All events subsequent to the date of the financial statement and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the financial statement.
- 5) The effect of the uncorrected financial statement misstatement to reduce current year revenue by \$202,174 and to increase opening net assets by the same amount is immaterial, both individually and in the aggregate, to the financial statement taken as a whole. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.

Information Provided

- 6) We have provided you with:
 - > Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement such as records, documentation and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - > Additional information that you have requested from us for the purpose of the audit;
 - > Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - > Communications from regulatory agencies, if any, concerning noncompliance with, or deficiencies in, financial reporting practices
 - > All minutes of the meetings of the Board of Organization, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - > Executive Committee
 - > Finance Committee
- 7) Organization material transactions have been recorded in the accounting records and are reflected in the financial statement.
- 8) We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- 9) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:



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- > Management;
 - > Employees who have significant roles in internal control; or
 - > Others where the fraud could have a material effect on the financial statement.
- 10) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Organization's financial statement communicated by employees, former employees, grantors, regulators or others.
 - 11) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
 - 12) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or waste or abuse, whose effects should be considered when preparing the financial statement.
 - 13) We have identified and disclosed to you all instances, of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statement.
 - 14) We have no knowledge of any known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statement
 - 15) We have disclosed to you the identity of all the Organization's related parties, if any, and all the related party relationships and transactions, including any side agreements, of which we are aware that have not been disclosed to you.

General

- 16) We have complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of non-compliance.
- 17) We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 18) We have adequately considered the qualifications of the Organization in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to Organization with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.



Single Audit

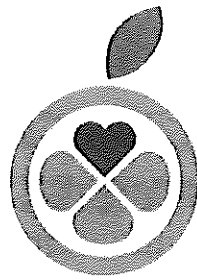
19) With respect to federal award programs:

- a) We are responsible for understanding and complying with, and have complied with the requirements of Uniform Guidance, including requirements relating to preparation of the financial statement.
- b) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the financial statement made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- c) We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- d) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- e) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- f) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- g) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards.



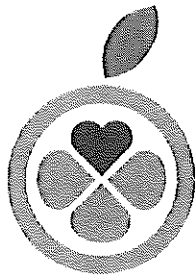
Second Harvest OF THE BIG BEND

- h) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- i) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report, if any.
- j) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E), if applicable.
- k) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- l) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- m) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditors' report.
- p) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statement has been prepared.
- q) The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.



Second Harvest OF THE BIG BEND

- r) We have monitored subrecipients as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
 - s) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the awards provided to the subrecipient.
 - t) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - u) We have charged costs to federal awards in accordance with applicable cost principles.
 - v) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by awarding agencies and pass-through entities, including all management decisions.
 - w) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - x) We are responsible for and will accurately review the auditee section of the Data Collection Form as required by the Uniform Guidance. We understand that an unlocked searchable version of the financial statements will be submitted to the Federal Clearinghouse along with the Data Collection Form.
 - y) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
 - z) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if any.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



Second Harvest OF THE BIG BEND

- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

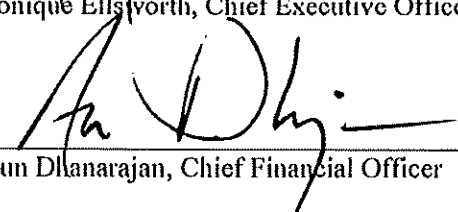
Other

- 24) As part of your audit, you assisted with the preparation of the financial statement. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal and state awards.
- 25) We have made all management decisions and performed all management functions in relation to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, as identified in the engagement letter or an addendum to the engagement letter. We have designated Arun Dhanarajan, CFO,, an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, and we have evaluated and accept responsibility for the adequacy and results of the nonattest services received.

AMERICA'S SECOND HARVEST OF THE BIG BEND AND SUBSIDIARY (D/B/A SECOND HARVEST OF THE BIG BEND)



Monique Ellsworth, Chief Executive Officer



Arun Dhanarajan, Chief Financial Officer