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Certified Public Accountants and Consultants

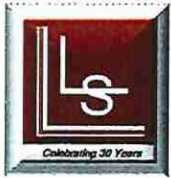
THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.

**AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Healthy School Food Collaborative, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Healthy School Food Collaborative, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Continued,

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Healthy School Food Collaborative, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other 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 on page 19, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head on page 21 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2022, on our consideration of The Healthy School Food Collaborative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Healthy School Food Collaborative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Healthy School Food Collaborative, Inc.'s internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, Louisiana
July 5, 2022

The Healthy School Food Collaborative, Inc.
Statement of Financial Position
As of June 30, 2021

ASSETS	
Cash and Cash Equivalents	\$ 2,248,566
Grant Receivable	379,019
Property and Equipment, Net	5,168
TOTAL ASSETS	<u>\$ 2,632,753</u>
LIABILITIES	
Accounts Payable	\$ 315,010
Due to Related Entity	18,008
TOTAL LIABILITIES	<u>333,018</u>
NET ASSETS	
Without Donor Restrictions	<u>2,299,735</u>
TOTAL NET ASSETS	<u>2,299,735</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,632,753</u>

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

The Healthy School Food Collaborative, Inc.
Statement of Activities
For the Year Ended June 30, 2021

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support			
Government Grants and Contracts	\$ 9,011,225	\$ -	\$ 9,011,225
Total Support	<u>9,011,225</u>	<u>-</u>	<u>9,011,225</u>
 TOTAL SUPPORT AND REVENUE	 <u>9,011,225</u>	 <u>-</u>	 <u>9,011,225</u>
 EXPENSES			
Program Services	8,287,153	-	8,287,153
Management and General	163,664	-	163,664
TOTAL EXPENSES	<u>8,450,817</u>	<u>-</u>	<u>8,450,817</u>
 Change in Net Assets	 560,408	 -	 560,408
 NET ASSETS, BEGINNING OF YEAR	 <u>1,739,327</u>	 <u>-</u>	 <u>1,739,327</u>
 NET ASSETS, END OF YEAR	 <u>\$ 2,299,735</u>	 <u>\$ -</u>	 <u>\$ 2,299,735</u>

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

The Healthy School Food Collaborative, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services	Management and General	Total
SFSP Meal Costs	8,118,389	-	8,118,389
Payroll Expense	-	142,815	142,815
Professional Services	16,500	9,504	26,004
Payroll Taxes	-	10,925	10,925
Contract Services	140,150	-	140,150
Payroll Service Fees	-	324	324
Equipment Rental	10,603	-	10,603
Advertising	1,459	-	1,459
Interest and Bank Charges	52	-	52
Total Expenses Before Depreciation	8,287,153	163,568	8,450,721
Depreciation	-	96	96
Total Expenses	<u>\$ 8,287,153</u>	<u>\$ 163,664</u>	<u>\$ 8,450,817</u>

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

The Healthy School Food Collaborative, Inc.
Statement of Cashflows
For the Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in Net Assets	\$ 560,408
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:	
Depreciation	96
Loss on Disposal of Property and Equipment	
Net Changes in Assets and Liabilities:	
Decrease in Grant Receivables	11,871,270
Decrease in Accounts Payable	(10,752,286)
Decrease in Due To HSFC, LLC	(231,095)
Total Adjustments	887,985
Net Cash Provided by Operating Activities	1,448,393
Net Change in Cash and Cash Equivalents	1,448,393
Cash and Cash Equivalents - Beginning of Period	800,173
Cash and Cash Equivalents - End of Period	\$ 2,248,566

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

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Healthy School Food Collaborative, Inc. (the Organization) is a Louisiana non-profit corporation organized to reduce childhood obesity by providing students, families, and communities access to nutritious and affordable food sources, sustainable, healthy meal choices, and by promoting the development of lifelong healthy dietary and living behaviors. To achieve these goals, the Organization partners with charter schools, private schools and other non-profit organizations. The Organization is exempt from Federal Income Taxes under Section 501(c)3 of the Internal Revenue Code.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, the Organization classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Organization are included in this category. The Organization has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Organization and therefore, their policy is to record those net assets as without donor restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions

At June 30, 2021, the Organization had no net assets with donor restrictions.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. The Organization's threshold for capitalization is \$5,000. Depreciation is computed using the straight-line method for financial reporting purposes over the following estimated useful lives:

Leasehold Improvements	7 years
------------------------	---------

Concentration of Credit

The Organization maintains cash accounts with one commercial bank. At June 30, 2021, the balance exceeded the federal insured amount of \$250,000 by \$2,019,415.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on the time spent on each program.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

NOTE 2 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

<u>Asset Category</u>	<u>Useful Life</u>	
Leasehold Improvements	7 years	\$ 5,264
Subtotal		5,264
Accumulated Depreciation		(96)
Net Property and Equipment		<u>\$ 5,168</u>

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 2,248,566
Grants Receivable	<u>379,019</u>
	<u>\$ 2,627,585</u>

NOTE 4 – ECONOMIC DEPENDENCY

During the fiscal year ended June 30, 2021, 100% of total support and revenue was received from the Summer Food Service Program. The grant amounts are appropriated each year by federal and state governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Organization receives could be reduced significantly and could have an adverse impact on its operations. Revenue for the year ended June 30, 2021 is as follows:

Summer Food Service Program (SFSP)	<u>\$ 9,011,225</u>
Total Revenue	<u>\$ 9,011,225</u>

NOTE 5 – FEDERAL COMPLIANCE CONTINGENCIES

The Organization receives all of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 6 – RELATED PARTY TRANSACTIONS

The project management for the Organization's operations were provided by a related entity for half of the fiscal year. This for-profit entity is owned and controlled by the Organization's CEO. During the second half of the year, the Organization took over the project management tasks. Total expenses incurred to the related party entity during the year ended June 30, 2021 was \$140,150, which is recorded in Contract Services in the Statement of Activities. As of June 30, 2021, the Organization had an outstanding payable balance to the related party in the amount of \$18,008.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – COVID-19 GLOBAL PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions to the Organization's operations and the ability for the Organization's employees to perform their tasks.

NOTE 8 – SUBSEQUENT EVENTS

Management of the Organization has evaluated all subsequent events through July 5, 2022, the date the financial statements were available to be issued. No additional disclosures are considered necessary.



Luther Speight & Company
Certified Public Accountants and Consultants

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

To the Board of Directors of
The Healthy School Food Collaborative, Inc.
New Orleans, Louisiana

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 The Healthy School Food Collaborative, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 5, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Healthy School Food Collaborative, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Healthy School Food Collaborative, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Healthy School Food Collaborative, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there 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.

Continued,

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Healthy School Food Collaborative Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2021-001.

Healthy School Food Collaborative Inc.'s Response to Findings

Healthy School Food Collaborative Inc.'s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Healthy School Food Collaborative Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

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



Luther Speight & Company CPAs
New Orleans, Louisiana
July 5, 2022



Luther Speight & Company
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
The Healthy School Food Collaborative, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited The Healthy School Food Collaborative, Inc.'s compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on The Healthy School Food Collaborative, Inc.'s major federal program for the fiscal year ended June 30, 2021. The Healthy School Food Collaborative, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the The Healthy School Food Collaborative, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Healthy School Food Collaborative, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of The Healthy School Food Collaborative, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Healthy School Food Collaborative, Inc. 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 fiscal year ended June 30, 2021.

Continued,

Report on Internal Control Over Compliance

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

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

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.



Luther Speight & Company CPAs
New Orleans, Louisiana
July 5, 2022

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
Summary of Auditor's Results
June 30, 2021

PART I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? yes no

Significant deficiencies identified
not considered to be material weaknesses? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes no

Significant deficiency(s) identified
not considered to be material weaknesses? yes no

An unqualified opinion was issued on compliance.

Any audit findings disclosed that are required to be
reported in accordance with the Uniform
Guidance?

yes no

The major programs for the year ended June 30, 2021 were as follows:

1. Summer Food Service Program – CFDA 10.559

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

\$750,000

Auditee did not qualify as a low-risk auditee.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
Schedule of Findings and Questioned Costs
June 30, 2021

PART II – FINANCIAL STATEMENT FINDINGS

**FINDING #2021-001 – TIMELY SUBMISSION OF ANNUAL AUDIT REPORT
(NONCOMPLIANCE)**

CRITERIA:

Louisiana state statute 2:511 – 2:559, Louisiana Audit Law, states that quasi-public entities with more than \$500,000 in revenue must submit their audited annual financial reports to the Louisiana Legislative Auditor within six (6) months of the close of the auditee’s fiscal year. The Organization was granted emergency extensions through March 31, 2022.

CONDITION:

The Organization did not remit the annual audited financial statements to the Louisiana Legislative Auditor within the extended deadline.

CAUSE:

The Organization did not provide the auditors with the necessary financial information and audit testing support in a timely manner to meet the deadline.

EFFECT:

Late submission causes the auditee to be placed on the non-compliance list and can result in withholding of funding to the auditee.

RECOMMENDATION:

The Organization should implement policies and procedures to ensure timely filing of any and all required reports.

MANAGEMENT RESPONSE:

We will begin the auditing process in a timely fashion going forward and adhere to stricter timelines internally to prevent this from recurring.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
Schedule of Findings and Questioned Costs
June 30, 2021

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no findings pertaining to federal awards for the year ended June 30, 2021.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
Schedule of Prior Year Findings
June 30, 2021

Finding #	Description	Resolved/Unresolved
2020-001	Internal Controls Over Purchasing and Cash Disbursements Were Not Adequate – Material Weakness	Resolved
2020-002	Uninsured Cash Balance – Significant Deficiency	Resolved

The Healthy School Food Collaborative, Inc.
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2021

<u>Federal Grantor</u>	<u>Pass-through Grantor</u>	<u>CFDA Number</u>	<u>Program Title</u>	<u>Project/Pass-through Identifying Number</u>	<u>Award Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
	State of Louisiana Department of Education						
	10.559		Child Nutrition Cluster - Summer Food Service Program	12-3539-0-1-605	8,278,899	-	8,278,899
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>					8,278,899	-	\$ 8,278,899
TOTAL FEDERAL EXPENDITURES					\$ 8,278,899	\$ -	\$ 8,278,899

See accompanying notes to the schedule of expenditures of federal awards.

THE HEALTHY SCHOOL FOOD COLLABORATIVE, INC.
Notes to Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2021

NOTE 1 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 – PRESENTATION

The accompanying schedule of expenditures of federal awards covers the fiscal year ended June 30, 2021.

NOTE 3 – INDIRECT COST RATE

The Organization has not elected to use the ten percent (10%) indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – LOAN AND LOAN GUARANTEES

The Organization did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2021. The Organization had no loans outstanding at the year ended June 30, 2021.

NOTE 5 – FEDERALLY FUNDED INSURANCE

The Organization has no federally funded insurance.

NOTE 6 – NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the year ended June 30, 2021.

The Healthy School Food Collaborative, Inc.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Fiscal Year Ended June 30, 2021

Agency Head Name and Title: James Graham, Executive Director

Purpose	Amount
Salary	\$ 46,603
Benefits-FICA	25,786
Benefits-insurance	-
Benefits-retirement	-
Benefits-executive parking	-
Car allowance	-
vehicle provided by government	-
*Contract Services	17,025
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

*** During the first half of the fiscal year, the Executive Director was compensated for services rendered to the Organization through a related for-profit entity. That compensation is reflected in Contract Services in the Statement of Fncional Expenses.**