



FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020



SECOND HELPINGS, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Second Helpings, Inc.
Indianapolis, Indiana

We have audited the accompanying financial statements of Second Helpings, Inc., (the Organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Second Helpings, Inc. as of June 30, 2021 and 2020, and the changes in net assets, functional expenses, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information


Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. 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 Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.


September 22, 2021

SECOND HELPINGS, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:			
Cash and short-term investments		\$ 2,776,563	\$ 3,458,174
Investments - Legacy Fund		452,227	335,234
Accounts receivable		97,500	40,180
Grants receivable		464,464	1,062,942
Inventories		208,999	208,851
Prepaid expenses and other assets		34,059	51,194
Total current assets		4,033,812	5,156,575
Property and Equipment, Net		2,477,159	2,479,504
Non-Current Grants Receivable		-0-	20,000
Endowment Investments		10,422,932	7,726,482
Total assets		<u>\$ 16,933,903</u>	<u>\$ 15,382,561</u>
	<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:			
Current maturities of note payable		\$ -0-	\$ 113,923
Accounts payable		129,160	103,802
Accrued expenses and other liabilities		63,880	47,114
Deferred revenue		35,000	20,000
Total current liabilities		228,040	284,839
Note Payable		-0-	182,727
Deferred Revenue		-0-	20,000
Total liabilities		<u>228,040</u>	<u>487,566</u>
Net Assets:			
Without donor restrictions:			
Undesignated		5,480,445	5,103,854
Designated by the Board		452,227	335,234
		5,932,672	5,439,088
With donor restrictions		10,773,191	9,455,907
Total net assets		<u>16,705,863</u>	<u>14,894,995</u>
Total liabilities and net assets		<u>\$ 16,933,903</u>	<u>\$ 15,382,561</u>

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2021 <u>Total</u>	2020 <u>Total</u>
Public support and revenues:				
Individual contributions	\$ 1,869,246	\$ -0-	\$ 1,869,246	\$ 2,219,108
Corporate and government contributions and grants	2,549,612	312,500	2,862,112	4,167,075
Special events	377,813	-0-	377,813	479,378
Special events - in-kind	149,542	-0-	149,542	149,504
In-kind contributions - operations	3,159,409	-0-	3,159,409	2,039,119
Total public support and revenues	<u>8,105,622</u>	<u>312,500</u>	<u>8,418,122</u>	<u>9,054,184</u>
Program Revenue:				
Rescued food	6,715,479	-0-	6,715,479	5,593,970
Fee income	1,606	-0-	1,606	89,032
Total program revenues	<u>6,717,085</u>	<u>-0-</u>	<u>6,717,085</u>	<u>5,683,002</u>
Other Revenues:				
Other income (expense), net	<u>(7,470)</u>	<u>-0-</u>	<u>(7,470)</u>	<u>3,782</u>
Net Assets Released from Donor Restrictions	<u>1,691,666</u>	<u>(1,691,666)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenues	<u>16,506,903</u>	<u>(1,379,166)</u>	<u>15,127,737</u>	<u>14,740,968</u>
Expenses:				
Program services:				
Food Rescue	464,441	-0-	464,441	456,474
Hunger Relief	13,871,717	-0-	13,871,717	9,582,747
Job Training	620,854	-0-	620,854	742,824
Total program services	14,957,012	-0-	14,957,012	10,782,045
Supporting services:				
Management and general	439,820	-0-	439,820	315,993
Fundraising	584,484	-0-	584,484	576,296
Fundraising - in-kind	149,542	-0-	149,542	149,504
Total expenses	<u>16,130,858</u>	<u>-0-</u>	<u>16,130,858</u>	<u>11,823,838</u>
Change in net assets from operations	376,045	(1,379,166)	(1,003,121)	2,917,130
Interest and Investment Income, Net	<u>117,539</u>	<u>2,696,450</u>	<u>2,813,989</u>	<u>21,556</u>
Change in net assets	493,584	1,317,284	1,810,868	2,938,686
Net Assets, Beginning of Year	<u>5,439,088</u>	<u>9,455,907</u>	<u>14,894,995</u>	<u>11,956,309</u>
Net Assets, End of Year	<u>\$ 5,932,672</u>	<u>\$ 10,773,191</u>	<u>\$ 16,705,863</u>	<u>\$ 14,894,995</u>

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenues:			
Individual contributions	\$ 2,219,108	\$ -0-	\$ 2,219,108
Corporate and government contributions and grants	1,759,575	2,407,500	4,167,075
Special events	479,378	-0-	479,378
Special events - in-kind	149,504	-0-	149,504
In-kind contributions - operations	<u>2,039,119</u>	<u>-0-</u>	<u>2,039,119</u>
Total public support and revenues	<u>6,646,684</u>	<u>2,407,500</u>	<u>9,054,184</u>
Program Revenue:			
Rescued food	5,593,970	-0-	5,593,970
Fee income	<u>89,032</u>	<u>-0-</u>	<u>89,032</u>
Total program revenues	<u>5,683,002</u>	<u>-0-</u>	<u>5,683,002</u>
Other Revenues:			
Other income (expense), net	<u>3,782</u>	<u>-0-</u>	<u>3,782</u>
Net Assets Released from Donor Restrictions	<u>1,428,472</u>	<u>(1,428,472)</u>	<u>-0-</u>
Total support and revenues	<u>13,761,940</u>	<u>979,028</u>	<u>14,740,968</u>
Expenses:			
Program services:			
Food Rescue	456,474	-0-	456,474
Hunger Relief	9,582,747	-0-	9,582,747
Job Training	<u>742,824</u>	<u>-0-</u>	<u>742,824</u>
Total program services	10,782,045	-0-	10,782,045
Supporting services:			
Management and general	315,993	-0-	315,993
Fundraising	576,296	-0-	576,296
Fundraising - in-kind	<u>149,504</u>	<u>-0-</u>	<u>149,504</u>
Total expenses	<u>11,823,838</u>	<u>-0-</u>	<u>11,823,838</u>
Change in net assets from operations	1,938,102	979,028	2,917,130
Interest and Investment Income, Net	<u>6,562</u>	<u>14,994</u>	<u>21,556</u>
Change in net assets	1,944,664	994,022	2,938,686
Net Assets, Beginning of Year	<u>3,494,424</u>	<u>8,461,885</u>	<u>11,956,309</u>
Net Assets, End of Year	<u>\$ 5,439,088</u>	<u>\$ 9,455,907</u>	<u>\$ 14,894,995</u>

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	Program Services			Management and General	Fundraising	2021 Total	2020 Total
	Food Rescue	Hunger Relief	Job Training				
Labor and Benefits:							
Salaries	\$ 225,785	\$ 460,018	\$ 279,790	\$ 221,425	\$ 298,637	\$ 1,485,655	\$ 1,394,960
Employee benefits	44,580	96,335	55,613	53,916	62,353	312,797	273,789
Payroll taxes and expense	18,356	37,124	22,475	17,637	23,919	119,511	116,286
Total labor and benefits	288,721	593,477	357,878	292,978	384,909	1,917,963	1,785,035
Other Expenses:							
Food donations to agencies	-0-	5,864,256	23,809	-0-	-0-	5,888,065	4,619,375
Vendor meals	-0-	5,526,040	-0-	-0-	-0-	5,526,040	3,213,448
Food spoilage and tare	-0-	815,923	11,343	-0-	-0-	827,266	861,166
Special events	-0-	-0-	-0-	-0-	220,483	220,483	194,238
Depreciation	44,902	124,813	30,582	4,849	6,951	212,097	200,815
Kitchen and general supplies	5,572	700,381	50,739	2,674	1,301	760,667	227,691
Utilities	23,692	61,028	23,548	5,775	8,180	122,223	115,532
Repair and maintenance	23,013	95,197	42,556	21,488	25,269	207,523	160,462
Professional fees	1,365	3,035	26,246	76,836	755	108,237	55,937
Insurance	14,836	31,093	8,280	9,452	5,621	69,282	65,874
Vehicle expenses	42,943	16,049	90	18	82	59,182	79,930
Dues and subscriptions	4,359	7,818	6,603	10,442	19,519	48,741	54,544
Awards and recognition	4,855	10,485	11,028	4,942	2,313	33,623	32,908
Printing	3,437	6,261	3,508	3,364	18,338	34,908	32,209
Security	4,184	11,622	4,663	958	1,302	22,729	22,482
Seminars	210	819	18,583	802	267	20,681	39,609
Public relations	1,189	696	179	1,428	1,156	4,648	16,021
Travel and entertainment	34	85	-0-	4	2	125	7,002
Bank and finance charges	2	-0-	-0-	2,046	27,645	29,693	23,522
Postage	317	576	265	174	8,780	10,112	8,551
Office supplies	355	925	492	1,384	687	3,843	3,710
Miscellaneous	-0-	10	10	22	-0-	42	47
Equipment and facility rent	455	1,128	452	184	466	2,685	3,730
Total expenses	\$ 464,441	\$ 13,871,717	\$ 620,854	\$ 439,820	\$ 734,026	\$ 16,130,858	\$ 11,823,838

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020

	Program Services			Management and General	Fundraising	Total
	Food Rescue	Hunger Relief	Job Training			
Labor and Benefits:						
Salaries	\$ 221,816	\$ 410,043	\$ 270,643	\$ 188,334	\$ 304,124	\$ 1,394,960
Employee benefits	41,827	78,605	51,620	41,915	59,822	273,789
Payroll taxes and expense	17,640	33,070	26,453	14,937	24,186	116,286
Total labor and benefits	281,283	521,718	348,716	245,186	388,132	1,785,035
Other Expenses:						
Food donations to agencies	-0-	4,558,684	60,691	-0-	-0-	4,619,375
Vendor meals	-0-	3,213,448	-0-	-0-	-0-	3,213,448
Food spoilage and tare	-0-	830,264	30,902	-0-	-0-	861,166
Special events	-0-	-0-	-0-	-0-	194,238	194,238
Depreciation	34,193	101,801	38,331	9,419	17,071	200,815
Kitchen and general supplies	5,640	151,388	68,277	1,197	1,189	227,691
Utilities	24,267	49,860	26,658	6,597	8,150	115,532
Repair and maintenance	20,451	72,255	43,763	9,065	14,928	160,462
Professional fees	936	3,978	29,446	15,589	5,988	55,937
Insurance	14,564	26,249	9,836	9,150	6,075	65,874
Vehicle expenses	59,373	19,829	-0-	-0-	728	79,930
Dues and subscriptions	3,349	5,822	4,457	7,390	33,526	54,544
Awards and recognition	2,005	4,270	21,680	2,259	2,694	32,908
Printing	3,569	8,368	3,558	2,353	14,361	32,209
Security	4,377	9,877	5,642	1,238	1,348	22,482
Seminars	297	549	31,560	1,548	5,655	39,609
Public relations	140	159	13,411	14	2,297	16,021
Travel and entertainment	123	1,220	3,736	951	972	7,002
Bank and finance charges	-0-	-0-	-0-	2,409	21,113	23,522
Postage	708	1,014	686	352	5,791	8,551
Office supplies	455	1,243	696	518	798	3,710
Miscellaneous	-0-	20	-0-	27	-0-	47
Equipment and facility rent	744	731	778	731	746	3,730
Total expenses	\$ 456,474	\$ 9,582,747	\$ 742,824	\$ 315,993	\$ 725,800	\$ 11,823,838

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,810,868	\$ 2,938,686
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Forgiveness of note payable	(296,650)	-0-
Depreciation	212,097	200,815
Net realized and unrealized gains on investments	(2,824,591)	(12,525)
Loss on disposal of property and equipment	12,415	657
Contributions to investments	(63,012)	(81,047)
Changes in operating assets and liabilities:		
Accounts receivable	(57,320)	36,563
Grants receivable	618,478	(793,845)
Inventories	(148)	(113,430)
Prepaid expenses and other assets	17,135	(29,557)
Accounts payable	25,358	26,601
Accrued expenses and other liabilities	16,766	(22,840)
Deferred revenue	(5,000)	(20,000)
Net cash provided by (used in) operating activities	<u>(533,604)</u>	<u>2,130,078</u>
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	-0-	4,500
Purchase of property and equipment	(222,167)	(515,548)
Proceeds from sale of investments	133,362	447,901
Purchase of investments	(59,202)	(87,702)
Net cash used in investing activities	<u>(148,007)</u>	<u>(150,849)</u>
Cash Flows from Financing Activities:		
Borrowings on note payable	<u>-0-</u>	<u>296,650</u>
Net increase (decrease) in cash and short-term investments	(681,611)	2,275,879
Cash and Short-Term Investments, Beginning of Year	<u>3,458,174</u>	<u>1,182,295</u>
Cash and Short-Term Investments, End of Year	<u>\$ 2,776,563</u>	<u>\$ 3,458,174</u>

See accompanying Notes to Financial Statements.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Second Helpings, Inc. (the "Organization") is a not-for-profit organization committed to rescuing and distributing prepared and perishable food to those in need through established hunger relief programs, and in the process, educates and trains adults for positions in the culinary field. The Organization's program services began in April 1998.

The total pounds of food rescued by the Organization were 3,591,165 and 2,991,428 for the years ended June 30, 2021 and 2020, respectively. The Organization distributed 1,818,127 and 1,485,302 meals for the years ended June 30, 2021 and 2020, respectively.

The significant accounting policies followed by the Organization in the preparation of its financial statements are summarized below:

Basis of Presentation

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

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net asset funds to protect the Organization's long-term viability due to volatility in funding resources.

Net Assets With Donor Restrictions

Net assets 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.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Revenue Recognition and Accounts Receivable and Grants Receivable

Support and program revenues are reported as increases in net assets with or without donor restrictions based upon whether the donor has imposed any restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the revenue is recognized. Contributions and grants are recognized when the donor makes an unconditional promise to give to the Organization either in writing or verbally or payment is received from the donor or expenses are incurred for grants under a cost reimbursement basis. Government grants under a cost reimbursement arrangement are considered contributions and not a contract with a customer as there is not a direct reciprocation of benefits to the grantor in exchange for contributions. Conditional promises to give are not included as support until the conditions are substantially met.

Accounts receivable are reported at the amount invoiced. Grants receivable consist of amounts that have been unconditionally promised or due from performance-based service contracts where the services have been performed. Grants receivable are supported by written grant agreements and are stated at the amount billed or expected to be collected. The Organization, on a periodic basis, evaluates its accounts receivable and grants receivable and establishes an allowance for doubtful accounts based on past write-offs, collections, and current credit conditions. There was no allowance for doubtful accounts as of June 30, 2021 and 2020.

Functional Expenses

Expenses are functionally classified as Program Services, Management and General, and Fundraising. Classifications are based on actual direct expenditures and cost allocations determined by estimates of time spent by Organization personnel. The Organization's occupancy related expenses are allocated to program areas based on actual direct expenditures and cost allocations based on square footage of the Organization's office building and headcount.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires Management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. Significant estimates made in preparation of the Organization's financial statements include collectability of accounts and grants receivable, useful lives of property and equipment, the allocation of functional expenses, and the fair value of assets measured by Level 3 inputs.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Cash and Short-Term Investments

Cash and short-term investments represent cash invested in checking and savings accounts, money market accounts, and other short-term investments measured by a Level 1 input (Note 4) in accordance with U.S. GAAP.

The Organization values its short-term investments at fair market value for financial reporting purposes. Short-term investments consist of donated stock which is temporarily held and sold. Realized holding gains and losses on such sales are reflected as a separate component in the Statements of Activities and Changes in Net Assets as increases or decreases in net assets without donor restrictions along with any dividend or interest income on cash accounts unless their use is restricted. The Organization had no short-term investments at June 30, 2021 and 2020.

Inventories

Inventories include purchased and donated food and supply items. Donated food and supply items are recorded at fair market value at the date of donation and food and supplies that are purchased are recorded at cost. Inventory on hand is carried at the lower of cost or net realizable value with cost being determined using the specific identification method.

Property, Equipment and Depreciation

Purchased property and equipment are recorded at cost. Items donated are recorded at fair market value as of the date of donation. Costs of improvements are capitalized and costs of repairs and maintenance are expensed as incurred. Depreciation is recorded over the estimated useful lives of the assets utilizing the straight-line method. The ranges of useful lives used by the Organization are as follows:

<u>Description</u>	<u>Ranges of useful lives</u>
Building and improvements	5 - 40 years
Furniture and equipment	3 - 15 years

In-Kind Contributions

The Organization receives in-kind donations and contributions from unrelated parties including various services provided free of charge or at a significant discount. Other services, including food preparation and fundraising, were performed by volunteers and are not included in the in-kind contributions.

Income Taxes

The Organization is exempt from Federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state law. Accordingly, no provision has been made for Federal or state income taxes.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Management of the Organization evaluates all significant tax positions to ensure compliance with the exempt purpose of the Organization as required by U.S. GAAP, including consideration of any unrelated business income tax. As of June 30, 2021, Management does not believe the Organization has taken any tax positions that are not in compliance with the exempt purpose of the Organization. The Organization's Federal and state tax returns remain open and subject to examination beginning with the calendar tax year ended June 30, 2018.

Subsequent Events

Subsequent events have been evaluated through September 22, 2021, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

At June 30, 2021 and 2020, financial assets available for future general expenditures within one year from the Statements of Financial Position comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and short-term investments	\$ 2,776,563	\$ 3,458,174
Investments - Legacy Fund	452,227	335,234
Accounts receivable	97,500	40,180
Grants receivable	464,464	1,082,942
Endowment investments	<u>10,422,932</u>	<u>7,726,482</u>
	<u>14,213,686</u>	<u>12,643,012</u>
Less amounts not available to be used for general expenditures within one year:		
Donor restricted funds	(350,259)	(1,729,425)
Donor restricted endowment	(10,422,932)	(7,726,482)
Board Designated investments - Legacy Fund	<u>(452,227)</u>	<u>(335,234)</u>
	<u>(11,225,418)</u>	<u>(9,791,141)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,988,268</u>	<u>\$ 2,851,871</u>

The Organization is supported by restricted contributions. Donor restrictions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Investment income from the donor restricted endowment is classified within donor restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

The Organization's investment portfolio consists of highly liquid investments.

In the event of an unanticipated liquidity need, the Organization has available borrowings of \$640,000 on the line of credit (Note 8). In addition, the Organization's board designated investments may be utilized to meet current obligations at the discretion of the Board of Directors.

3. GRANTS RECEIVABLE

The Organization recognizes all material unconditional promises to give and conditional promises under cost reimbursement basis as revenues. Unconditional and conditional promises to give that are expected to be collected in future years are recorded at their net present value.

Grants receivable at June 30, 2021 and 2020 are due as follows:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 464,464	\$ 1,062,942
One to five years	<u>-0-</u>	<u>20,000</u>
	<u>\$ 464,464</u>	<u>\$ 1,082,942</u>

For the years ended June 30, 2021 and 2020, the Organization received grants totaling \$2,295,264 and \$3,485,639, respectively, for all programs.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

4. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels are defined by U.S. GAAP as a means of measuring fair value:

Level 1

Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs reflecting the entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization has no liabilities measured at fair value and assets measured at fair value on a recurring basis at June 30, 2021 and 2020 included investments aggregating \$10,875,159 and \$8,061,716, respectively.

Investments are reported as Level 3 assets and represent the Organization's pro rata interest in the Central Indiana Community Foundation ("CICF") administered pooled investment funds. The individual investments are valued separately by the investment managers, and the Organization's pro rata interest is reported by CICF. CICF invests in fixed income, equities, private equity, money market and other investments.

The Organization's accounting policy is to recognize transfers between levels as of the date the event or change in circumstances that caused the transfer. The Organization transferred \$-0- and \$28,140 of assets measured using Level 1 inputs into assets measured using Level 3 inputs during the years ended June 30, 2021 and 2020, respectively.

The Organization transferred \$-0- and \$310,415 of assets measured using Level 3 inputs into assets measured using Level 1 inputs during the years ended June 30, 2021 and 2020, respectively.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

5. INVESTMENTS

The Organization's investments at June 30, 2021 and 2020 were all held at CICF.

Interest and investment income and its classification in the Statements of Activities and Changes in Net Assets for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Endowment investment return:		
Interest and dividend income	\$ 56,740	\$ 57,082
Net realized gains	915,721	472,391
Net unrealized gains (losses)	1,791,414	(460,391)
Administrative expenses	(67,425)	(54,088)
	<u>2,696,450</u>	<u>14,994</u>
Investment - Legacy Fund return:		
Interest and dividend income	2,462	2,480
Net realized gains	39,731	20,527
Net unrealized gains (losses)	77,725	(20,002)
Administrative expenses	(2,925)	(2,351)
	<u>116,993</u>	<u>654</u>
Other interest income	546	5,908
	<u>117,539</u>	<u>6,562</u>
	<u>\$ 2,813,989</u>	<u>\$ 21,556</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 411,785	\$ 411,785
Building and improvements	2,604,667	2,496,393
Furniture and equipment	1,299,670	1,600,349
	<u>4,316,122</u>	<u>4,508,527</u>
Accumulated depreciation	(1,838,963)	(2,029,023)
Property and equipment, net	<u>\$ 2,477,159</u>	<u>\$ 2,479,504</u>

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

7. ENDOWMENT FUND

The Organization's endowment consists of funds established to support the activities of the Organization. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's funds designated by the Board of Directors is classified and reported as without donor restrictions.

The Board of Directors of the Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization held in perpetuity: (a) the original value of gifts donated to the endowment; and (b) the original value of subsequent gifts to the endowment.

The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization.

Funds with Deficiencies

From time to time, donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. There were no material deficiencies as of June 30, 2021 and 2020.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Organization while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term appreciation of the principal and generate income while ensuring the safety of the principal at all times. The Organization expects its endowment funds, over time, to provide a net real return (after fees and inflation) commensurate with the mix of the portfolio relative to market returns. Actual returns in any given year may vary from this expectation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies primarily on the investment strategy of CICF.

Spending Policy and How the Investment Objective Relates to Spending Policy

The Organization's spending policy is based on a predetermined calculation to moderate the impact of market fluctuations on annual withdrawals within an acceptable spending range of 2 – 6%, with a target spending rate of 4%.

Whenever the endowment fund balance on a valuation date is equal to or less than the historic gift value, the maximum spending from the endowment fund for the next fiscal year shall be 2% of the endowment fund balance. This maximum spending limit shall continue until the endowment fund balance on a future valuation date exceeds the historic gift value.

Whenever the endowment fund balance on a valuation date is greater than the historic gift value, the Organization may spend any percentage or amount of the endowment fund balance; provided, however, that such spending would not cause the endowment fund to fall below the historic gift value. At which time the Organization would be limited to the greater of the excess of the endowment fund balance on the valuation date over the historic gift value or 2% of the endowment fund balance on the valuation date.

In establishing this policy, the Organization considered its desire to be flexible in providing support to the Organization while maintaining a balance in the investment account. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional growth and investment return.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Endowment and Legacy Fund net assets at June 30, 2021 and 2020 include the following:

	Without Donor Restriction <u>Funds</u>	With Donor Restriction <u>Funds</u>	<u>Total</u>
Historic gift value	\$ 301,922	\$ 6,849,000	\$ 7,150,922
Accumulated earnings	<u>44,887</u>	<u>1,132,534</u>	<u>1,177,421</u>
Endowment and Legacy Fund net assets, June 30, 2019	<u>346,809</u>	<u>7,981,534</u>	<u>8,328,343</u>
Additions to endowment	-0-	28,140	28,140
Withdrawals from endowment	(12,229)	(298,186)	(310,415)
Interest and dividends, net of fees	129	2,994	3,123
Realized gains	20,527	472,391	492,918
Unrealized losses	<u>(20,002)</u>	<u>(460,391)</u>	<u>(480,393)</u>
2020 change in endowment and Legacy Fund net assets	<u>(11,575)</u>	<u>(255,052)</u>	<u>(266,627)</u>
Historic gift value	301,922	6,877,140	7,179,062
Accumulated earnings	<u>33,312</u>	<u>849,342</u>	<u>882,654</u>
Endowment and Legacy Fund net assets, June 30, 2020	<u>335,234</u>	<u>7,726,482</u>	<u>8,061,716</u>
Interest and dividends, net of fees	(463)	(10,685)	(11,148)
Realized gains	39,731	915,721	955,452
Unrealized gains	<u>77,725</u>	<u>1,791,414</u>	<u>1,869,139</u>
2021 change in endowment and Legacy Fund net assets	<u>116,993</u>	<u>2,696,450</u>	<u>2,813,443</u>
Historic gift value	301,922	6,877,140	7,179,062
Accumulated earnings	<u>150,305</u>	<u>3,545,792</u>	<u>3,696,097</u>
Endowment and Legacy Fund net assets, June 30, 2021	<u>\$ 452,227</u>	<u>\$ 10,422,932</u>	<u>\$ 10,875,159</u>

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. LINE OF CREDIT

The Organization has \$640,000 of available borrowings under a line of credit with a bank which is subject to renewal annually in the month of May. Borrowings under this facility bear interest at the bank's prime lending rate plus 0.3% (3.55% at June 30, 2021). The line of credit is secured by substantially all assets of the Organization. There were no borrowings on the line of credit for the years ended June 30, 2021 and 2020.

9. NOTE PAYABLE

During May 2020, the Organization borrowed \$296,650 from a bank under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). Under the terms of the program, a portion or all of the loan was forgivable if the Organization meets the forgiveness conditions. On January 19, 2021 the Organization was notified the SBA approved full forgiveness for the principal amount and, accordingly, the Organization recorded \$296,650 of grant public support and revenue in Statement of Activities and Changes in Net Assets for the year ended June 30, 2021.

10. RETIREMENT PLANS

The Organization maintains a tax-deferred annuity plan qualified under section 403(b) of the Internal Revenue Code. The plan covers all employees of the Organization who meet the age and hour requirements. Employees may make contributions with an elective matching or discretionary contribution by the Organization. An employee's contribution may not exceed the maximum amount allowed as determined by the Internal Revenue Code. The Organization's plan expense was \$31,060 and \$29,607 for the years ended June 30, 2021 and 2020, respectively.

SECOND HELPINGS, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Hunger Relief	\$ 312,500	\$ 325,000
Job Training	37,759	60,000
COVID-19 Pandemic Response	-0-	1,344,425
	<u>350,259</u>	<u>1,729,425</u>
Endowment:		
Held in perpetuity	6,877,140	6,877,140
Endowment earnings	3,545,792	849,342
	<u>10,422,932</u>	<u>7,726,482</u>
Total net assets with donor restrictions	<u>\$ 10,773,191</u>	<u>\$ 9,455,907</u>

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donors. Donor restricted funds of \$1,691,666 and \$1,428,472 were released from donor restrictions during the years ended June 30, 2021 and 2020, respectively.

12. CONCENTRATION OF CREDIT RISK

Cash and Short-Term Investments

The Organization maintains its cash and short-term investments in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization had not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and short-term investments.

Grants Receivable and Grant Revenue

At June 30, 2021 and for the year then ended, 84% of grants receivable were from one (1) grantor and 63% of grant revenues were from two (2) grantors. Grant revenues represent 27% of total public support and revenues.

At June 30, 2020 and for the year then ended, 94% of grants receivable and 74% of grant revenues were from two (2) grantors. Grant revenues represent 38% of total public support and revenues.

SUPPLEMENTARY INFORMATION

SECOND HELPINGS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity ID Number	Total Federal Expenditures
Department of Homeland Security			
City of Indianapolis - Office of Public Health and Safety:			
COVID-19 - Home Delivery	97.036		<u>\$ 592,076</u>
Department of Treasury			
City of Indianapolis - Office of Public Health and Safety:			
COVID-19 - Community Organization Food Assistance	21.019		<u>400,000</u>
Department of Housing and Urban Development (HUD)			
EmployIndy			
Community Development Block Grant	14.218		<u>144,949</u>
United States Department of Agriculture (USDA)			
State of Indiana, Family and Social Services Administration			
Division of Mental Health and Addiction:			
Supplemental Nutrition Assistance Program	10.561		<u>23,947</u>
Total Expenditures of Federal Awards			<u>\$ 1,160,972</u>

See Notes to the Schedule of Expenditures and Federal Awards.

SECOND HELPINGS, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

Note 1: Basis of Presentation

This schedule includes the Federal awards 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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: Summary of Significant Accounting Policies

Accrual basis: Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain expenditures are not allowable or are limited as to reimbursement.

Indirect cost rate: The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through identifying numbers: Pass-through entity identifying numbers are presented where available.

Note 3: Subrecipients

Of the Federal expenditures presented in the schedule, the Organization did not provide Federal awards to subrecipients.



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

Board of Directors
Second Helpings, Inc.
Indianapolis, Indiana

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 Second Helpings, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2021.

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) to determine 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 of 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 over financial reporting 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.

Compliance and Other Matters

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

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.

A handwritten signature in cursive script that reads "Alceding CPA Group".

Indianapolis, Indiana
September 22, 2021

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

Board of Directors
Second Helpings, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Second Helpings, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major Federal programs for the year ended June 30, 2021. The Organization's major Federal programs are 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 Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major Federal programs 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 Organization's compliance with those requirements and performing other such procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization 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 Organization'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 Organization's internal control over compliance.

A deficiency in internal control over compliance 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, 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 combination of control 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.



Indianapolis, Indiana
September 22, 2021

SECOND HELPINGS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2021

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified?
reported ☐ Yes ☒ None

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified?
reported ☐ Yes ☒ None

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)? ☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

SECOND HELPINGS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) YEAR ENDED JUNE 30, 2021

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding	Questioned Costs
	None	

Findings Required to be Reported by 2 CFR 200.516(a)

Reference Number	Finding	Questioned Costs
	None	