

Brighter Bites

Financial Statements
and Single Audit Reports
for the year ended December 31, 2020

Brighter Bites

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Independent Auditors' Report

To the Board of Directors of
Brighter Bites:

Report on the Financial Statements

We have audited the accompanying financial statements of Brighter Bites, which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, of functional expenses, and of 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.

Auditors' 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 our audits 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 auditors' 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 Brighter Bites as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the schedule of expenditures of federal awards for the year ended December 31, 2020 as required by Title 2 U. S. *Code of Federal Regulations* (CFR) 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. The schedule of expenditures of state awards for the year ended December 31, 2020 as required by the State of Texas *Uniform Grant Management Standards* 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.

Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2021 on our consideration of Brighter Bites' 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 Brighter Bites' 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 Brighter Bites' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Blazek & Vetterling". The signature is written in a cursive, flowing style.

August 26, 2021

Brighter Bites

Statements of Financial Position as of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 800,750	\$ 160,967
Accounts receivable		53,256
Contributions and government grants receivable (<i>Note 3</i>)	1,274,457	1,295,321
Prepaid expenses and other assets	155,398	11,211
Property and equipment, net (<i>Note 4</i>)	<u>144,524</u>	<u>73,691</u>
TOTAL ASSETS	<u>\$ 2,375,129</u>	<u>\$ 1,594,446</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 125,517	\$ 166,058
Accrued payroll expense	177,448	87,551
Refundable advance – Paycheck Protection Program (<i>Notes 2 and 3</i>)	519,601	
Note payable (<i>Note 5</i>)	<u>50</u>	<u>450,000</u>
Total liabilities	<u>822,616</u>	<u>703,609</u>
Net assets:		
Without donor restrictions	440,130	175,512
With donor restrictions (<i>Note 6</i>)	<u>1,112,383</u>	<u>715,325</u>
Total net assets	<u>1,552,513</u>	<u>890,837</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,375,129</u>	<u>\$ 1,594,446</u>

See accompanying notes to financial statements.

Brighter Bites

Statement of Activities for the year ended December 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government grants <i>(Note 7)</i>		\$ 3,750,124	\$ 3,750,124
Contributed food <i>(Note 8)</i>	\$ 8,755,090		8,755,090
Other	348,148	1,963,731	2,311,879
Special event	329,214		329,214
Direct donor benefits	(73,188)		(73,188)
Contract revenue	<u>27,008</u>	<u> </u>	<u>27,008</u>
Total revenue	9,386,272	5,713,855	15,100,127
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>5,316,797</u>	<u>(5,316,797)</u>	<u> </u>
Total	<u>14,703,069</u>	<u>397,058</u>	<u>15,100,127</u>
EXPENSES:			
Program	13,873,951		13,873,951
Management and general	435,052		435,052
Fundraising	<u>129,448</u>		<u>129,448</u>
Total expenses	<u>14,438,451</u>		<u>14,438,451</u>
CHANGES IN NET ASSETS	264,618	397,058	661,676
Net assets, beginning of year	<u>175,512</u>	<u>715,325</u>	<u>890,837</u>
Net assets, end of year	<u>\$ 440,130</u>	<u>\$ 1,112,383</u>	<u>\$ 1,552,513</u>

See accompanying notes to financial statements.

Brighter Bites

Statement of Activities for the year ended December 31, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government grants <i>(Note 7)</i>		\$ 2,773,497	\$ 2,773,497
Contributed food <i>(Note 8)</i>	\$ 3,759,352		3,759,352
Other	283,339	1,211,156	1,494,495
Contract revenue	<u>196,660</u>	<u> </u>	<u>196,660</u>
Total revenue	4,239,351	3,984,653	8,224,004
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>4,278,943</u>	<u>(4,278,943)</u>	<u> </u>
Total	<u>8,518,294</u>	<u>(294,290)</u>	<u>8,224,004</u>
EXPENSES:			
Program	8,082,742		8,082,742
Management and general	380,402		380,402
Fundraising	<u>131,736</u>	<u> </u>	<u>131,736</u>
Total expenses	<u>8,594,880</u>	<u> </u>	<u>8,594,880</u>
CHANGES IN NET ASSETS	(76,586)	(294,290)	(370,876)
Net assets, beginning of year	<u>252,098</u>	<u>1,009,615</u>	<u>1,261,713</u>
Net assets, end of year	<u>\$ 175,512</u>	<u>\$ 715,325</u>	<u>\$ 890,837</u>

See accompanying notes to financial statements.

Brighter Bites

Statements of Functional Expenses for the years ended December 31, 2020 and 2019

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2020 TOTAL</u>
Salaries and related expenses	\$ 2,766,442	\$ 385,725	\$ 96,010	\$ 3,248,177
Distributed donated food	8,737,417			8,737,417
Supplies and materials	1,073,695	105	33	1,073,833
Contractor fees	853,239	27,489	11,354	892,082
Facility and equipment	152,946	5,800	3,677	162,423
Computers and information technology	100,171	3,060	98	103,329
Postage and freight	90,462		1,610	92,072
Travel and meetings	47,706	360	3,115	51,181
Printing and photocopying	27,476		4	27,480
Other	<u>24,397</u>	<u>12,513</u>	<u>13,547</u>	<u>50,457</u>
Total expenses	<u>\$13,873,951</u>	<u>\$ 435,052</u>	<u>\$ 129,448</u>	14,438,451
Direct Donor Benefits				<u>73,188</u>
Total expenses including Direct Donor Benefits				<u>\$14,511,639</u>

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2019 TOTAL</u>
Salaries and related expenses	\$ 2,632,322	\$ 332,949	\$ 88,801	\$ 3,054,072
Distributed donated food	3,759,352			3,759,352
Supplies and materials	641,891		213	642,104
Contractor fees	588,506	27,864	20,926	637,296
Facility and equipment	146,252	1,579	1,852	149,683
Computers and information technology	47,241	41	60	47,342
Postage and freight	33,413	130	970	34,513
Travel and meetings	138,610	2,391	14,326	155,327
Printing and photocopying	73,004	356	3,772	77,132
Other	<u>22,151</u>	<u>15,092</u>	<u>816</u>	<u>38,059</u>
Total expenses	<u>\$ 8,082,742</u>	<u>\$ 380,402</u>	<u>\$ 131,736</u>	<u>\$ 8,594,880</u>

See accompanying notes to financial statements.

Brighter Bites

Statements of Cash Flows for the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 661,676	\$ (370,876)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	56,041	48,101
Loss on disposal of property	4,001	
Changes in operating assets and liabilities:		
Accounts receivable	53,256	69,212
Contributions and government grants receivable	20,864	(545,739)
Prepaid expenses and other assets	(144,187)	(5,998)
Accounts payable	(40,541)	(110,220)
Accrued payroll expense	89,897	(6,773)
Refundable advances	<u>519,601</u>	<u> </u>
Net cash provided (used) by operating activities	<u>1,220,608</u>	<u>(922,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(130,875)</u>	<u>(10,282)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Draws on line of credit		845,000
Repayments on line of credit	<u>(449,950)</u>	<u>(395,000)</u>
Net cash provided (used) by financing activities	<u>(449,950)</u>	<u>450,000</u>
NET CHANGE IN CASH	639,783	(482,575)
Cash, beginning of year	<u>160,967</u>	<u>643,542</u>
Cash, end of year	<u>\$ 800,750</u>	<u>\$ 160,967</u>
 <i>Supplemental disclosure of cash flow information:</i>		
Interest paid	\$5,205	\$2,961

See accompanying notes to financial statements.

Brighter Bites

Notes to Financial Statements for the years ended December 31, 2020 and 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Brighter Bites’ mission is to *create communities of health through fresh food*. Brighter Bites is a comprehensive and multi-component school, preschool and after-school program that increases access to fresh fruits and vegetables combined with nutrition education for obesity prevention among low-income children and their families. Brighter Bites’ goal is to improve the long-term health outcomes of those they serve and to make systemic change throughout the process: from growing demand at the store, to changing the school and home environments, to tackling food waste and converting it into an impactful public health opportunity, all in an effort to empower families to achieve better health. Brighter Bites currently provides services in multiple schools across the country located in Houston, Austin, Dallas, New York City, Washington, DC, and Southwest Florida.

Federal income tax status – Brighter Bites is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash – Bank deposits exceed the federally insured limit per depositor per institution.

Contributions and government grants receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions revenue.

An allowance for uncollectible receivables is provided when it is believed balances may not be collected in full. The adequacy of the allowance at the end of each period is determined using an analysis of individual balances each period. It is possible that management’s estimate regarding the collectability of the balances will change in the near term resulting in a change in the carrying value of these receivables.

Property and equipment is reported at cost if purchased and at fair value at the date of gift if donated. Equipment with a cost of more than \$500 is capitalized. Depreciation is provided on a straight-line basis over estimated useful lives of 3 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from a donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Brighter Bites is entitled to receive or retain funding. Conditional contributions are recognized in the same manner when the conditions have been substantially met. Funding received before conditions are met is reported as refundable advances.

Non-cash contributions – Donated food and use of facilities are recognized at fair value as unrestricted contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated produce is valued at the approximate average wholesale value of one pound of donated product based on the national per pound price of produce as provided by the most recent Feeding America Product Valuation Survey.

A substantial number of volunteers have contributed approximately 70,000 and 62,000 hours of time during 2020 and 2019, respectively, in connection with programs for which no amount has been reported in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Special event revenue is the total amount paid by attendees of an event and includes elements of both contributions and exchange transactions. Special event revenue is recognized when the event occurs. Direct donor benefit costs represent the cost of goods and services provided to attendees of the special events. Amounts received in advance are reported as a refundable advance until earned.

Contract revenue is derived from performance obligations satisfied over time. Revenue is recognized using the input method as costs are incurred in amounts that reflect the consideration Brighter Bites expects to be entitled to in exchange for those services. Payment is due based on a payment schedule outlined in the contract. Amounts collected in advance of the performance obligations are deferred until the performance obligations are met. Accounts receivable at December 31, 2019 and 2018 were \$53,256 and \$122,468, respectively. There are no accounts receivable at December 31, 2020.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation expense is allocated based on functional usage of property. IT costs are allocated based on the number of computing units in each department.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncements – In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under this ASU, a lessee should recognize in the statement of financial position a lease liability and a lease asset representing its right to use the underlying asset for the term of the lease for both finance and operating leases. An entity may make an accounting policy election not to recognize lease assets and lease liabilities for leases with a term of 12 months or less. Recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not changed significantly. Qualitative and quantitative disclosures are required by lessees and lessors to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. Brighter Bites is required to adopt this ASU for fiscal year 2022. Upon adoption, management expects to recognize lease commitments as both a right of use asset and a lease liability in the statement of financial position for commitments that are currently only disclosed in the financial statements.

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and will require disclosure about the measurement and use of types of contributed nonfinancial assets. The ASU will be effective for fiscal years beginning after June 15, 2021 and requires retrospective application.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 800,750	\$ 160,967
Accounts receivable		53,256
Contributions and government grants receivable	<u>1,274,457</u>	<u>1,295,321</u>
Total financial assets	2,075,207	1,509,544
Less:		
Restricted contributions to be used in future periods	<u>(10,000)</u>	<u>(83,333)</u>
Total financial assets available for general expenditure	<u>\$ 2,065,207</u>	<u>\$ 1,426,211</u>

For purposes of analyzing resources available to meet general expenditure over a 12-month period, Brighter Bites considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. Brighter Bites expects to collect sufficient government grants and contributions to fund its general expenditures.

In April 2020, Brighter Bites received financial relief of \$519,601 funded under the Small Business Administration’s Paycheck Protection Program (PPP). PPP loan principal and interest may be forgiven, in whole or in part, if funds are used for the intended purposes. The unsecured loan is considered to be a conditional contribution and will be recognized as contribution revenue upon forgiveness by the bank. Any amount not forgiven will be treated as a loan and will bear interest at 1% and matures in April 2022. At December 31, 2020, \$519,601 is included in refundable advances. Brighter Bites applied for forgiveness in August 2021. In March 2021, Brighter Bites received \$489,202 under the 2nd Draw PPP Loan program. The loan bears interest at 1% and matures in March 2026 if not forgiven. Any amount forgiven will be recognized as contribution revenue in the fiscal year of forgiveness.

NOTE 3 – CONTRIBUTIONS AND GOVERNMENT GRANTS RECEIVABLE

Contributions and government grants receivable consist of the following:

	<u>2020</u>	<u>2019</u>
Receivable from government agencies	\$ 789,432	\$ 875,655
Receivable from others	<u>485,025</u>	<u>419,666</u>
Total contributions and government grants receivable	<u>\$ 1,274,457</u>	<u>\$ 1,295,321</u>

Contributions and government grants receivable at December 31, 2020 are expected to be collected as follows:

Less than one year	\$ 1,264,457
One to five years	<u>10,000</u>
Total contributions and government grants receivable	<u>\$ 1,274,457</u>

A portion of Brighter Bites' contributions and government grants is derived from cost-reimbursable federal and state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Brighter Bites has incurred expenditures in compliance with specific contract or grant provisions. At December 31, 2020, conditional contributions and government grants of \$3,648,965 have not been recognized because the conditions on which they depend have not yet been met.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 229,411	\$ 114,047
Website	46,008	46,008
Furniture and fixtures	<u>15,912</u>	<u>19,257</u>
Total property and equipment, at cost	291,331	179,312
Accumulated depreciation	<u>(146,807)</u>	<u>(105,621)</u>
Property and equipment, net	<u>\$ 144,524</u>	<u>\$ 73,691</u>

NOTE 5 – NOTE PAYABLE

Brighter Bites had an unsecured \$500,000 operating line of credit agreement with a local banking institution that matured on March 8, 2021. The line of credit bears interest at 5.5%. Principal payments are due upon maturity with interest payments due monthly. The balance outstanding under the line of credit at December 31, 2020 and 2019 was \$50 and \$450,000, respectively. Interest expense totaled \$3,497 and \$4,818 during 2020 and 2019, respectively.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
General expansion	\$ 461,242	\$ 15,204
Houston expansion and programming	289,362	75,986
Dallas expansion and programming	125,443	25,015
IT and computer hardware	35,624	47,400
Florida expansion and programming	20,510	96,655
Washington, DC expansion and programming	7,194	40,000
Austin expansion and programming	2,026	154,368
Other programming	<u>21,816</u>	<u>6,531</u>
Total subject to expenditure for specified purpose	963,217	461,159
Subject to the passage of time	<u>149,166</u>	<u>254,166</u>
Total net assets with donor restrictions	<u>\$ 1,112,383</u>	<u>\$ 715,325</u>

NOTE 7 – GOVERNMENT GRANTS

Brighter Bites is a party to contracts with government agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Sources of significant grant revenue are as follows:

	<u>2020</u>	<u>2019</u>
Federal government awards:		
U. S. Department of Agriculture	\$ 2,277,514	\$ 2,179,691
State government awards:		
A&M AgriLife Extension Service	<u>1,472,610</u>	<u>593,806</u>
Total government grants and other revenue	<u>\$ 3,750,124</u>	<u>\$ 2,773,497</u>

Government awards require fulfillment of certain conditions as set forth in the contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by Brighter Bites with the terms of the contracts. Management believes such disallowances, if any, would not be material to Brighter Bites' financial position or changes in net assets.

NOTE 8 – DONATED FOOD

The majority of food distributed by Brighter Bites is produce received from food banks in the communities that Brighter Bites serves.

The total value of contributed food is as follows:

	<u>2020</u>	<u>2019</u>
Pounds of food	12,507,271	4,803,437
Value per pound	x <u>.70</u>	x <u>.78</u>
Value of food	\$ 8,755,090	\$ 3,746,681
Value of donated bags	<u> </u>	<u>12,671</u>
Total	<u>\$ 8,755,090</u>	<u>\$ 3,759,352</u>

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 26, 2021, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events other than the Second Draw PPP loan disclosed in Note 2, were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Brighter Bites

Schedule of Expenditures of Federal Awards for the year ended December 31, 2020

<u>FEDERAL GRANTOR</u> <u>Pass-through Grantor</u> <u>Program Title & Period</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Contract Number</u>	<u>Award</u> <u>Amount</u>	<u>Allowable</u> <u>Federal</u> <u>Expenditures</u>
U. S. DEPARTMENT OF AGRICULTURE				
Passed through Texas Department of Agriculture and Feeding Texas: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)				
#1	10/01/19 – 09/30/20	10.561	529-16-002-00002	\$2,125,530
				\$ 1,539,130
#2	10/01/20 – 09/30/21	10.561	529-16-002-00002	\$2,125,530
				474,142
Passed through New York Office of Temporary and Disability Assistance and City Harvest, Inc. State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)				
#3	10/01/19 – 09/30/20	10.561	None	\$325,780
				165,403
#4	10/01/20 – 09/30/21	10.561	None	\$325,780
				<u>98,839</u>
Total U. S. Department of Agriculture				<u>2,277,514</u>
TOTAL FEDERAL AWARDS				<u>\$ 2,277,514</u>

See accompanying note to schedules of expenditures of federal and state awards.

Brighter Bites

Schedule of Expenditures of State Awards for the year ended December 31, 2020

<u>STATE GRANTOR</u> <u>Pass-through Grantor</u> <u>Program Title & Period</u>	<u>Contract</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Allowable</u> <u>State</u> <u>Expenditures</u>
TEXAS A&M AGRILIFE EXTENSION SERVICE			
Direct Funding:			
Surplus Agricultural Products Grant Program			
#S1 09/01/19 – 08/31/20	GA-555-01	\$1,433,329	\$ 1,150,844
#S2 09/01/20 – 08/31/21	GA-555-01	\$1,433,329	<u>321,766</u>
Total Texas A&M Agrilife Extension Service			<u>1,472,610</u>
TOTAL STATE AWARDS			<u>\$ 1,472,610</u>

See accompanying note to schedules of expenditures of federal and state awards.

Brighter Bites

Note to Schedules of Expenditures of Federal and State Awards for the year ended December 31, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The schedules of expenditures of federal and state awards (the schedules) are prepared on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Single Audit Circular*. Federal and state expenditures include allowable expenses funded by federal and state grants. Allowable costs are subject to the cost principles of the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*, and include both costs that are capitalized and costs that are recognized as expenses in Brighter Bites' financial statements in conformity with generally accepted accounting principles. Brighter Bites does not have any subrecipients and does not utilize the 10% de minimis rate for indirect costs or charge indirect costs to its grants.

Because the schedules present only a selected portion of the operations of Brighter Bites, they are not intended to and do not present the financial position, changes in net assets, or cash flows of Brighter Bites.
