CARTER
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16 Biltmore Ave, Suite 200 | Asheville, NC 28801 | 828.259.9900
1043 East Morehead St, Suite 101 | Charlotte, NC 28204 | 704.676.6335
carter-cpa.com

Report Date, 2020

To the Audit Committee
MANNA Food Bank, Inc.

We have audited the financial statements of MANNA Food Bank, Inc. for the year ended June 30, 2020, and have issued our report thereon dated Report Date, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MANNA Food Bank, Inc. are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Organization adopted the following FASB Accounting Standard Updates (ASUs) during the year ended June 30, 2020: ASU No, 2016-01, *Financial Instruments - Overall Recognition and Measurement of Financial Assets and Financial Liabilities*; ASU No. 2016-18, *Restricted Cash;* and ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. No material changes resulted from the implementation of these standards. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the valuation of food inventories and the related revenue and distributions, provision for uncollectible promises to give, and depreciation.

> The valuation of food inventories and related revenue and distributions is based on cost if purchased, valued by the USDA, or valued based on guidelines for determining the approximate average wholesale value of one pound of donated food at the national level for donated inventories or unvalued inventories obtained from the USDA. The provision for uncollectible promises to give is based on management's estimate of amounts to be collected in current and future periods. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were promises to give, food inventories, fair value measurements, deferred revenue, restrictions on net assets, and liquidity and availability of financial assets.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No uncorrected misstatements were identified, other than trivial.

In addition, Attachment "A" summarizes the misstatements identified as a result of our audit procedures or provided by management (PBC). Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated Report Date, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the schedule of expenditures of federal and state awards (SEFSA) accompanying the financial statements, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the requirements of the U.S. generally accepted accounting principles and Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFSA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee, Board of Directors, and management of MANNA Food Bank, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CARTER, P.C.

Attachment A

MANNA Food Bank, Inc.
Financial Statement Effects of Corrected Audit Differences
June 30, 2020

Description (nature) of audit difference	Total Assets	Total Liabilities	Net Assets	Revenues and Other	Expenses	Change in Net Assets
Roll forward net assets	$	$	$	$	$ 276	$ (276)
Remove liabilities for purchase orders and staff development		(1,451,701)	1,451,701		(1,451,701)	1,451,701
PBC - Reclassify TEFAP transfers to TEFAP distributions ($347,864)						
PBC - Record ending inventory for other purchased products	442,549		442,549		(442,549)	442,549
Reverse accounts payable and cash transaction	(39,648)	(39,648)				
PBC - Reclassify State COVID grant to deferred revenue		500,000	(500,000)	(500,000)		(500,000)
PBC - Adjust accrued payroll		20,854	(20,854)		20,854	(20,854)
PBC - Reclassify discretionary 401k contributions for financial statement disclosure ($38,828)						
PBC - Adjust HSA liability		(997)	997		(997)	997
Net audit differences	$ 402,901	$ (971,492)	$ 1,374,393	$ (500,000)	$ (1,874,117)	$ 1,374,117
Financial statement caption totals	$ 14,546,315	$ 2,495,681	$ 12,050,634	$ 39,224,995	$ 36,248,527	$ 2,976,468
Net audit differences over caption totals	2.77%	(38.93%)	11.41%	(1.27%)	(5.17%)	46.17%