



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

February 2013

The County Council and County Executive
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's annual current expense budget.

We have examined the books and records of

FOOD AND FRIENDS, INC.

for the period July 1, 2011, through June 30, 2012. Our examination included such tests of the accounting records and such other auditing procedures as we considered necessary under the circumstances.

We noted no matters involving the Prince George's County grant to Food and Friends, Inc. that led us to believe that the County grant funds were used for other than their intended purpose.

This report, in our opinion, fulfills the minimum requirements of Council Resolution 51-1991 to perform random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, Fiscal Year 2012 Approved Operating Budget.

A handwritten signature in black ink, appearing to read "David H. Van Dyke".

David H. Van Dyke, CPA
County Auditor

A handwritten signature in black ink, appearing to read "Mackenzie Lewis".

Mackenzie Lewis
Auditor-In-Charge

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

Food and Friends, Inc.

In FY 2012 (July 1, 2011, through June 30, 2012), the Prince George's County Government provided two grants totaling \$175,000 to Food and Friends, Inc. These grant funds were awarded by the County Council (\$125,000) and Office of the County Executive (\$50,000) in October and December of 2011, respectively. The organization also receives additional funding through collaborative partnerships with other governmental and private organizations.

The mission of Food and Friends, Inc. (Food & Friends), a 501 (c) (3) non-profit organization, is to foster a community caring for its citizens living with HIV/AIDS, cancer, and other life-challenging illnesses by preparing and delivering specialized meals and groceries in conjunction with nutrition counseling. Food and Friends is the only provider of nutrition services for Washington, D.C. area residents living with life-challenging illnesses. These services are provided for free (regardless of income) to individuals, their families, and caregivers. Food & Friends offers 11 specialized meal plans to meet its clients' nutritional needs, including diabetic, low-fat, and vegetarian meals.

Since 1988, Food & Friends has delivered more than 14.7 million meals to over 21,000 individuals in need throughout the Washington Metropolitan area. In 2011, 698 Prince George's County citizens were served, with ages ranging from under 6 to over 65 years of age. The majority of County citizens served were between the ages of 19 and 64. Prince George's County represented 60% (241,845) of the meals served in Maryland by Food & Friends in 2011, with HIV/AIDS clients representing about 26% of County residents served. Individuals with other life-challenging illnesses represented about 74% of County residents served.

We examined the books and records maintained by Food and Friends, Inc. and included tests of the accounting records and other auditing procedures, as we determined necessary. Consideration was given to the fact that the records of the organization were reviewed and included in the scope of the financial audit conducted by Drolet and Associates PLLC, independent auditors, for the year ended December 31, 2011, and no discrepancies or irregularities were disclosed. Our examination included a review of expenditures and supporting documentation to ensure that payment amounts were properly approved and corresponded to related invoices. We noted no instances that led us to believe that County grant funds were used for other than their intended purpose.

The County Council and County Executive
Page 2

The attached Statement of Revenues and Expenditures for the period ending December 31, 2011, shows the activities of the organization for the period in which the grant funds were received. The attached Statement of Grant Revenue and Expenditures – County Grant Funds provides an allocation of the County grant fund expenditures for Fiscal Year 2012.

Food and Friends, Inc.
Statement of Revenues and Expenditures
For the Period Ending December 30, 2011

REVENUES:

Government Grants	\$2,551,299
Corporations and Foundations	1,676,260
Individuals	1,660,904
Special Events	1,528,659
In-kind Contributions	395,960
Combined Federal Campaign	342,267
Prince George's County Government	175,000
Endowments	105,709
Interest and Dividend Income	60,136
Miscellaneous	13,720
Religious Organizations	12,067
Net (Loss) Gain on Investments	<u>(29,647)</u>
Total Revenues	<u>\$8,492,334</u>

EXPENDITURES:

Programs:

Salaries/Wages	\$3,119,197
Food and Disposables	1,606,569
Payroll Taxes and Benefits	644,610
Consulting Fees and Services	318,527
Depreciation and Amortization	285,759
Repair and Maintenance	208,966
Insurance	150,227
Utilities	140,211
Combined Operating Expenses	121,123
Miscellaneous Expenses	99,355
Telephone	67,969
Vehicle Expenses	67,090
Education and Development	47,361
Office Expenses	<u>45,376</u>
Program Expenditures	\$7,066,650
Fundraising	1,116,440
Management and General	338,885
Special Events	<u>338,850</u>
Total Expenditures	<u>\$8,860,825</u>
Excess of Revenue Over (Under) Expenditures	<u>(\$368,491)</u>

Food and Friends, Inc.
Statement of Grant Revenues and Expenditures – County Grant Funds
For the Period July 1, 2011 through June 30, 2012

GRANT REVENUE:

Prince George's County Government	\$175,000
Total Grant Revenue	<u>\$175,000</u>

GRANT EXPENDITURES:

Salaries and Benefits	\$85,634
Food and Disposables	25,785
Depreciation	12,913
Supplies	11,493
Insurance	8,252
Printing	8,232
Professional Services	6,349
Events	5,462
Delivery/Gasoline	2,889
Meetings and Conferences	1,510
Travel	1,508
Repairs and Maintenance	1,334
Utilities	1,137
Miscellaneous	840
Volunteer Costs	827
Telephone	492
Postage	343
Total Grant Expenditures	<u>\$175,000</u>