

West Ohio Food Bank  
Lima, Ohio

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Financial Statements and Supplementary Information  
For the Years Ended  
June 30, 2021 and 2020

West Ohio Food Bank  
Lima, Ohio

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## E.S. Evans and Company

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November 18, 2021

### Independent Auditor's Report

Board of Trustees  
West Ohio Food Bank  
Lima, Ohio

#### Report on the Financial Statements

We have audited the accompanying financial statements of West Ohio Food Bank (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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 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 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 have above present fairly, in all material respects, the financial position of the West Ohio Food Bank as of June 30, 2021 and 2020, 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.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, 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. 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2021, on our consideration of West Ohio Food Bank'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 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 West Ohio Food Bank's internal control over financial reporting compliance.

*E & Evans and Company*

West Ohio Food Bank  
Lima, Ohio

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Statements of Financial Position  
June 30, 2021 and 2020

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 4,686,688	\$ 2,161,507
Accounts Receivable - Note K	148,873	260,428
Inventory - Note M	1,083,325	713,593
Total Current Assets	<u>5,918,886</u>	<u>3,135,528</u>
<u>Property and Equipment:</u>		
Building and Land Improvements	1,882,571	1,711,064
Furniture and Equipment	222,740	257,530
Office Equipment	41,418	43,968
Vehicles	670,917	590,602
Total Property and Equipment	<u>2,817,646</u>	<u>2,603,164</u>
Less: Accumulated Depreciation	<u>(1,131,538)</u>	<u>(1,086,426)</u>
Net Property and Equipment - Note A	<u>1,686,108</u>	<u>1,516,738</u>
<u>Total Assets</u>	<u>\$ 7,604,994</u>	<u>\$ 4,652,266</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 4,906	\$ 50,342
Accrued Payroll Liabilities	17,195	15,898
Accrued Vacation Pay - Note L	15,041	17,168
Unearned Grant Revenue	36,135	36,098
Paycheck Protection Program Loan - Note R	<u>-</u>	<u>103,500</u>
<u>Total Liabilities</u>	<u>73,277</u>	<u>223,006</u>
<u>Net Assets:</u>		
Without Donor Restrictions	7,410,239	4,244,739
With Donor Restrictions - Note J	<u>121,478</u>	<u>184,521</u>
<u>Total Net Assets</u>	<u>7,531,717</u>	<u>4,429,260</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 7,604,994</u>	<u>\$ 4,652,266</u>

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

West Ohio Food Bank  
Lima, Ohio

Statement of Activities  
For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Support:</u>			
Contributed Food	\$ 15,716,217	\$ -	\$ 15,716,217
Donations and Grants	3,945,337	344,774	4,290,111
Shared Maintenance Fees	130,284	-	130,284
Wholesale Food Distribution	69,201	60,000	129,201
Interest Income	1,719	-	1,719
Other Income	3,245	-	3,245
Gain/(Loss) on the Sale of Assets	202	-	202
Net Assets Released from Restrictions	<u>467,817</u>	<u>(467,817)</u>	<u>-</u>
Total Revenues and Support	<u>20,334,022</u>	<u>(63,043)</u>	<u>20,270,979</u>
 <u>Expenses:</u>			
Program Services:			
Agency	16,031,851	-	16,031,851
CSFP	693,899	-	693,899
School Pantry	42,936	-	42,936
SnackPack	<u>8,634</u>	<u>-</u>	<u>8,634</u>
Total Program Services	<u>16,777,320</u>	<u>-</u>	<u>16,777,320</u>
Supporting Services:			
Management and General	235,661	-	235,661
Fundraising	<u>155,541</u>	<u>-</u>	<u>155,541</u>
Total Supporting Services	<u>391,202</u>	<u>-</u>	<u>391,202</u>
Total Expenses	<u>17,168,522</u>	<u>-</u>	<u>17,168,522</u>
Change in Net Assets	3,165,500	(63,043)	3,102,457
Net Assets - Beginning of Year	<u>4,244,739</u>	<u>184,521</u>	<u>4,429,260</u>
Net Assets - End of Year	<u>\$ 7,410,239</u>	<u>\$ 121,478</u>	<u>\$ 7,531,717</u>

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

West Ohio Food Bank  
Lima, Ohio

Statement of Activities  
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues and Support:</u>			
Contributed Food	\$ 12,719,656	\$ -	\$ 12,719,656
Donations and Grants	1,280,216	644,838	1,925,054
Shared Maintenance Fees	176,316	-	176,316
Wholesale Food Distribution	40,443	-	40,443
Interest Income	7,157	-	7,157
Other Income	5,437	-	5,437
Net Assets Released from Restrictions	465,224	(465,224)	-
Total Revenues and Support	14,694,449	179,614	14,874,063
 <u>Expenses:</u>			
Program Services:			
Agency	12,938,689	-	12,938,689
CSFP	585,569	-	585,569
School Pantry	42,646	-	42,646
SnackPack	15,566	-	15,566
Total Program Services	13,582,470	-	13,582,470
Supporting Services:			
Management and General	254,994	-	254,994
Fundraising	143,791	-	143,791
Total Supporting Services	398,785	-	398,785
Total Expenses	13,981,255	-	13,981,255
Change in Net Assets	713,194	179,614	892,808
Net Assets - Beginning of Year	3,531,545	4,907	3,536,452
Net Assets - End of Year	\$ 4,244,739	\$ 184,521	\$ 4,429,260

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

West Ohio Food Bank  
Lima, Ohio

Statement of Functional Expenses  
For the Year Ended June 30, 2021

	Program Services		
	Agency	CSFP	School Pantry
Food and Personal Care Items	\$ 15,308,109	\$ 655,053	\$ 35,000
Personnel Costs:			
Salaries and Wages	353,075	15,108	807
Payroll Taxes	18,126	776	41
Employee Benefits	36,634	1,568	84
Total Personnel Costs	<u>407,835</u>	<u>17,452</u>	<u>932</u>
Transportation Costs:			
Transportation and Packaging Costs	10,700	755	252
Fuel	22,404	1,581	527
Repairs and Maintenance	2,118	150	50
Insurance and Other Costs	1,835	129	43
Total Transportation Costs	<u>37,057</u>	<u>2,615</u>	<u>872</u>
Building Costs:			
Utilities	57,322	4,046	1,349
Repairs and Maintenance	9,842	695	232
Equipment Rental and Supplies	27,108	1,914	638
Insurance and Other Costs	20,238	1,429	476
Total Building Costs	<u>114,510</u>	<u>8,084</u>	<u>2,695</u>
Administrative Costs:			
Professional Fees	4,907	50	-
Office Supplies and IT Costs	13,159	337	-
Telephone and Internet	1,983	140	47
Special Events	7,154	505	168
Postage and Shipping	-	-	-
Other Insurance	-	-	-
Equipment Rental and Maintenance	8,280	585	195
Licenses and Dues	9,896	698	233
Travel, Conferences, and Meetings	250	-	-
Miscellaneous Expense	1,263	89	30
Total Administrative Costs	<u>46,892</u>	<u>2,404</u>	<u>673</u>
Depreciation Expense	<u>117,448</u>	<u>8,291</u>	<u>2,764</u>
Total Functional Expenses	<u>\$ 16,031,851</u>	<u>\$ 693,899</u>	<u>\$ 42,936</u>

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

<u>SnackPack</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 5,000	\$ 16,003,162	\$ -	\$ -	\$ 16,003,162
115	369,105	141,963	56,785	567,853
6	18,949	7,287	2,914	29,150
12	38,298	14,730	5,892	58,920
<u>133</u>	<u>426,352</u>	<u>163,980</u>	<u>65,591</u>	<u>655,923</u>
126	11,833	755	-	12,588
264	24,776	1,581	-	26,357
25	2,343	150	-	2,493
22	2,029	129	-	2,158
<u>437</u>	<u>40,981</u>	<u>2,615</u>	<u>-</u>	<u>43,596</u>
674	63,391	4,046	-	67,437
116	10,885	695	-	11,580
319	29,979	1,914	-	31,893
238	22,381	1,429	-	23,810
<u>1,347</u>	<u>126,636</u>	<u>8,084</u>	<u>-</u>	<u>134,720</u>
-	4,957	31,900	-	36,857
-	13,496	9,035	-	22,531
23	2,193	140	-	2,333
84	7,911	505	-	8,416
-	-	5,241	89,950	95,191
-	-	2,306	-	2,306
97	9,157	585	-	9,742
116	10,943	698	-	11,641
-	250	2,192	-	2,442
15	1,397	89	-	1,486
<u>335</u>	<u>50,304</u>	<u>52,691</u>	<u>89,950</u>	<u>192,945</u>
<u>1,382</u>	<u>129,885</u>	<u>8,291</u>	<u>-</u>	<u>138,176</u>
\$ <u>8,634</u>	\$ <u>16,777,320</u>	\$ <u>235,661</u>	\$ <u>155,541</u>	\$ <u>17,168,522</u>

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

West Ohio Food Bank  
Lima, Ohio

Statement of Functional Expenses  
For the Year Ended June 30, 2020

	Program Services		
	Agency	CSFP	School Pantry
Food and Personal Care Items	\$ 12,253,301	\$ 548,038	\$ 35,000
Personnel Costs:			
Salaries and Wages	351,705	15,730	1,005
Payroll Taxes	11,746	525	34
Employee Benefits	29,373	1,314	84
Total Personnel Costs	<u>392,824</u>	<u>17,569</u>	<u>1,123</u>
Transportation Costs:			
Transportation and Packaging Costs	1,110	78	26
Fuel	27,421	1,936	645
Repairs and Maintenance	9,982	705	235
Insurance and Other Costs	858	61	20
Total Transportation Costs	<u>39,371</u>	<u>2,780</u>	<u>926</u>
Building Costs:			
Utilities	48,357	3,414	1,138
Repairs and Maintenance	13,690	966	322
Equipment Rental and Supplies	29,673	2,095	698
Insurance and Other Costs	19,558	1,380	460
Total Building Costs	<u>111,278</u>	<u>7,855</u>	<u>2,618</u>
Administrative Costs:			
Professional Fees	1,856	50	-
Office Supplies and IT Costs	13,160	337	-
Telephone and Internet	2,264	160	53
Special Events	12,806	904	301
Postage and Shipping	-	-	-
Other Insurance	-	-	-
Equipment Rental and Maintenance	11,920	841	280
Licenses and Dues	12,779	902	301
Travel, Conferences, and Meetings	250	-	-
Other Taxes and Fees	-	-	-
Interest Expense	14,713	1,038	346
Miscellaneous Expense	841	60	20
Total Administrative Costs	<u>70,589</u>	<u>4,292</u>	<u>1,301</u>
Depreciation Expense	<u>71,326</u>	<u>5,035</u>	<u>1,678</u>
Total Functional Expenses	<u>\$ 12,938,689</u>	<u>\$ 585,569</u>	<u>\$ 42,646</u>

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

<u>SnackPack</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 11,922	\$ 12,848,261	\$ -	\$ -	\$ 12,848,261
342	368,782	141,839	56,736	567,357
11	12,316	4,737	1,894	18,947
29	30,800	11,846	4,739	47,385
<u>382</u>	<u>411,898</u>	<u>158,422</u>	<u>63,369</u>	<u>633,689</u>
13	1,227	78	-	1,305
323	30,325	1,936	-	32,261
117	11,039	705	-	11,744
10	949	61	-	1,010
<u>463</u>	<u>43,540</u>	<u>2,780</u>	<u>-</u>	<u>46,320</u>
569	53,478	3,414	-	56,892
161	15,139	966	-	16,105
349	32,815	2,095	-	34,910
230	21,628	1,380	-	23,008
<u>1,309</u>	<u>123,060</u>	<u>7,855</u>	<u>-</u>	<u>130,915</u>
-	1,906	29,475	-	31,381
-	13,497	32,599	-	46,096
27	2,504	160	-	2,664
151	14,162	904	-	15,066
-	-	4,733	80,422	85,155
-	-	2,717	-	2,717
140	13,181	841	-	14,022
150	14,132	902	-	15,034
-	250	7,257	-	7,507
-	-	216	-	216
173	16,270	1,038	-	17,308
9	930	60	-	990
<u>650</u>	<u>76,832</u>	<u>80,902</u>	<u>80,422</u>	<u>238,156</u>
840	78,879	5,035	-	83,914
\$ <u>15,566</u>	\$ <u>13,582,470</u>	\$ <u>254,994</u>	\$ <u>143,791</u>	\$ <u>13,981,255</u>

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

West Ohio Food Bank  
Lima, Ohio

Statements of Cash Flows  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 3,102,457	\$ 892,808
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	138,176	83,914
SBA/PPP Loan Forgiveness	(103,500)	-
(Increase)/Decrease in Accounts Receivable	111,555	(140,451)
(Increase)/Decrease in Inventory	(369,732)	502,574
Increase/(Decrease) in Accounts Payable	(45,436)	45,921
Increase/(Decrease) in Accrued Payroll Liabilities	1,297	(3,387)
Increase/(Decrease) in Accrued Vacation Pay Benefits	(2,127)	4,983
Increase/(Decrease) in Unearned Grant Revenue	37	36,098
Total Adjustments	<u>(304,406)</u>	<u>445,738</u>
<u>Net Cash Provided/(Used) by Operating Activities</u>	<u>2,832,727</u>	<u>1,422,460</u>
<u>Cash Flow from Investing Activities:</u>		
(Purchase)/Disposal of Property and Equipment	<u>(307,546)</u>	<u>(335,875)</u>
<u>Net Cash Provided/(Used) by Investing Activities</u>	<u>(307,546)</u>	<u>(335,875)</u>
<u>Cash Flows from Financing Activities:</u>		
Cash Proceeds from Paycheck Protection Program Loan	-	103,500
Payments on Notes Payable	-	(380,073)
<u>Net Cash Provided/(Used) by Financing Activities</u>	<u>-</u>	<u>(276,573)</u>
<u>Net Increase/(Decrease) in Cash and Cash Equivalents</u>	<u>2,525,181</u>	<u>810,012</u>
Cash and Cash Equivalents at Beginning of Year	<u>2,161,507</u>	<u>1,351,495</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>4,686,688</u></u>	\$ <u><u>2,161,507</u></u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash Paid During the Year for Interest	\$ <u><u>-</u></u>	\$ <u><u>17,308</u></u>

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

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note A – Summary of Significant Accounting Policies

Purpose of Organization

The West Ohio Food Bank is a non-profit organization that collects, stores, and distributes food to over one hundred charitable organizations feeding the hungry in an eleven-county area of West Central Ohio. The Food Bank is designed to stop the waste of wholesome food and redistribute it to church groups and service agencies that feed the hungry people of West Central Ohio. The West Ohio Food Bank is a certified affiliated member of Feeding America located in Chicago, Illinois. The Food Bank is supported primarily through donor contributions of food and cash.

Agency

Agencies receive and distribute food and non-food items to food insecure individuals who are at or below 200% of the federal poverty guidelines throughout West Ohio Food Bank's eleven county service area.

CSFP

The Commodity Supplemental Food Program (CSFP) works to improve the health of low-income persons at least 60 years of age by supplementing their diets with nutritious food.

School Pantry

The purpose of the school pantry on campus is to provide supplemental food resources to chronically hungry students who do not have access to food at home. The school pantry may fill a gap in a community where access to a regular food pantry is not available.

Snack Pack

The snack pack program provides food to children that are found to be most in need by school personnel and who participate in the school meals program at their school. For many of these children, they receive very little, if anything at all, to consume during the weekend time.

Basis of Accounting

The West Ohio Food Bank prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows include checking accounts, savings accounts, petty cash, and gift cards.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note A – Summary of Significant Accounting Policies – (continued)

Accounts Receivable

Receivables are comprised primarily of reimbursements from grant activities. Additionally, the West Ohio Food Bank grants credit to qualifying agencies within their eleven-county service area. Substantially all of the accounts receivable are considered collectible. Accordingly, no allowance for doubtful accounts is required. Accounts are considered to be delinquent if there is no payment activity for six months.

Inventory

Inventory consists of food that the West Ohio Food Bank has in the warehouse and is available for distribution. At June 30, 2021 and 2020 donated inventory and inventory received from USDA is valued at \$1.74 and \$1.62 per pound, respectively, which is based on the 2019 and 2018 Feeding America Product Valuation Surveys, respectively. Purchased inventory is valued at the purchase price.

Basis of Presentation

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. At June 30, 2021 and 2020, the Organization had net assets of \$121,478 and \$184,521, respectively, with donor restrictions.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note A – Summary of Significant Accounting Policies – (continued)

Property and Equipment

Property and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Generally, expenditures for maintenance and repairs are charged against operations. Property and equipment with a cost of \$1,000 or more is capitalized and depreciated.

Depreciation expense for the years ended June 30, 2021 and 2020 was \$138,176 and \$83,914, respectively.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the current reporting period are recorded as prepaid expenses.

Revenue Recognition

Revenue from grant awards, fee agreements, and other services is recognized when earned. Revenue from grants and contracts is recognized only to the extent that it is expended in accordance with grantor requirements. Any grant revenue which has been received but has not yet been expended for its designated purpose is recognized as unearned grant revenue. Revenue from contributions and donations is recognized when received.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See Note P for additional information.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note B – Liquidity and Availability

Financial Assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of June 30, 2021 and 2020 are:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash	\$ 4,565,210	\$ 1,976,986
Accounts Receivable	148,873	260,428
	<u>\$ 4,714,083</u>	<u>\$ 2,237,414</u>

There are no donor-imposed or contractual restrictions on the above-mentioned assets. Accounts receivable are subject to implied time restrictions, but are expected to be collected within the year.

Note C – Fair Value of Financial Instruments

The following method and assumption was used by the West Ohio Food Bank in estimating the fair value of their financial instruments:

Cash and Cash Equivalents

The carrying amount reported in the Statement of Financial Position for cash and cash equivalents approximates fair value.

Note D – Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to credit risk include cash on deposit with a financial institution exceeding the \$250,000 ceiling insured by U.S. Federal Deposit Insurance Corporation. At June 30, 2021, the Organization had no deposits exceeding the insured amount. At June 30, 2020, the Organization had deposits exceeding the insured amount by \$232,144.

Note E – Donated Services

Numerous volunteers have donated significant amounts of time to the West Ohio Food Bank's fundraising efforts, special events, and program services. During the years ended June 30, 2021 and 2020, 212 and 652, respectively, volunteers donated approximately 65,399 and 27,058, respectively, hours of their time for the benefit of the Organization.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note F – Contracts with Governmental Agencies

West Ohio Food Bank contracts with governmental agencies to provide food assistance as follows:

Commodity Supplemental Food Program: This program serves nutritionally at-risk, income-eligible participants with the goals of supplementing their diets and promoting self-sufficiency. The targeted participant population in the State of Ohio is the elderly, defined as individuals ages 60 and older.

Emergency Food Assistance Program: This program provides temporary food assistance to low-income persons to supplement their diets.

Temporary Assistance for Needy Families: This program provides temporary food assistance to needy families with children so that children can be cared for in their own homes.

Social Services: This program provides temporary food assistance to needy individuals in an effort to prevent dependency and increase the self-sufficiency of these individuals.

Note G – Noncompliance with Grantor Restrictions

Financial awards from federal, state, and local governmental entities in the form of grants and contracts are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with contract restrictions. No provision has been made for any liabilities that may arise from such audits.

Note H – Commitment and Contingencies

The Organization is subject to other various claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management, all other such matters are adequately covered by insurance or by accruals and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Organization, if disposed of unfavorably.

Note I – Income Taxes

Federal Income Taxes

West Ohio Food Bank is a not-for-profit organization exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended. It has been classified as an organization that is not a private foundation under Section 509(a)1 of the Internal Revenue Code. In addition, West Ohio Food Bank qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note I – Income Taxes – (continued)

West Ohio Food Bank files an annual income tax return – Form 990 in the U.S. Federal jurisdiction and also annually files with the State of Ohio Attorney General under the Ohio Charitable Law section. The Organization’s U.S. federal income tax returns for the years ended June 30, 2017 and prior are closed and are no longer subject to examination.

Note J – Net Assets With Donor Restrictions

United Way of Van Wert County – During fiscal years 2021 and 2020, \$3,116 and \$5,349 was received, respectively, from United Way of Van Wert County to cover the costs of purchased food for the benefit of Trinity Friends Church, Van Wert United Methodist Church, and Salvation Army of Van Wert.

COVID-19 Donations – During fiscal years 2021 and 2020, \$358,718 and \$639,489 was received, respectively, from various donors to assist with capital expenditures, food distributions, agency grants, lunches provided for National Guard members assigned to the West Ohio Food Bank, and general operating expenses incurred due to the pandemic.

Seneca County NOW Donation – During fiscal year 2021, \$15,000 was received to be used for Seneca County distributions. At June 30, 2021, the funds had not yet been used.

Procter & Gamble Co. Grant – During fiscal year 2021, a \$10,000 grant was received from Procter & Gamble Co. to be used for the purchase of personal hygiene items and nutritious snack items for the Knap Sack program, as these items are highly desirable and for which availability is limited.

Feeding America COVID-19 Grants – Grants were provided by Feeding America to address the increased needs of food banks as the result of the COVID-19 pandemic. The goals of the funding program include increasing efforts to address the needs of those disproportionately affected by the pandemic, support capacity-building strategies, and the opportunity to better understand anticipated impacts.

Net assets with donor restrictions at June 30, 2021 and 2020 consisted of the following:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
United Way of Van Wert County	\$ -	\$ 1,799
COVID-19 Donations	25,369	182,722
Seneca County NOW Donation	15,000	-
Procter & Gamble Co. Grant	10,000	-
Feeding America COVID-19 Grants	71,109	-
Total Net Assets With Donor Restrictions	<u>\$ 121,478</u>	<u>\$ 184,521</u>

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note K – Accounts Receivable

Accounts Receivable at June 30, 2021 and 2020 consisted of the following:

	June 30,	
	2021	2020
Member Agencies	\$ 36,219	\$ 3,976
USDA	101,922	89,401
CSFP	10,732	9,759
OASPA and OFP	-	34,346
CARES	-	120,946
Miscellaneous	-	2,000
Total Accounts Receivable	\$ 148,873	\$ 260,428

Note L – Compensated Absences

The employees of the West Ohio Food Bank are provided vacation pay benefits. Vacation pay benefits earned, but not used, at June 30, 2021 and 2020 totaled \$15,041 and \$17,168, respectively.

Note M – Inventory

Food donated to the Organization is capitalized as inventory and recorded as an unrestricted contribution into the corresponding income account, depending on the source of the donation. Donated inventory and inventory received from USDA is valued at \$1.74 and \$1.62 per pound, respectively, based on the 2019 and 2018 Feeding America Product Valuation Surveys, respectively. The Organization also maintains an inventory of food which was purchased by the Organization to be distributed. These items are recorded at their purchase price. Inventory at June 30, 2021 and 2020 consisted of the following:

	June 30,	
	2021	2020
Donated Food	\$ 377,865	\$ 199,996
USDA	260,016	150,040
OFP	100,503	119,106
CSFP	284,345	111,776
Purchased Inventory	60,596	55,492
CFAP	-	77,183
	\$ 1,083,325	\$ 713,593

West Ohio Food Bank  
Lima, Ohio

Notes to Financial Statements

June 30, 2021 and 2020

Note N – Long-Term Obligations

The Organization had no long-term obligations during fiscal year 2021. The Organization’s long-term obligations during fiscal year 2020 were as follows:

<u>Long-Term Debt</u>	<u>Balance at</u> <u>6/30/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/20</u>	<u>Due Within</u> <u>One Year</u>
Mortgage Loan #1	\$ 216,692	\$ -	\$ 216,692	\$ -	\$ -
Mortgage Loan #2	160,309	-	160,309	-	-
Truck Loan	3,072	-	3,072	-	-
<b>Total Long-Term Debt</b>	<b>\$ 380,073</b>	<b>\$ -</b>	<b>\$ 380,073</b>	<b>\$ -</b>	<b>\$ -</b>

Mortgage Loan #1 – On November 17, 2009, the Organization entered into a promissory note at a variable rate of prime plus 3.25% for \$645,000 collateralized by their building located on East Kibby Street. The note was paid in full during the year ended June 30, 2020.

Mortgage Loan #2 – On November 29, 2011, the Organization entered into a promissory note at a variable rate of prime plus 3.25% for \$330,000 collateralized by their building located on East Kibby Street. The note was paid in full during the year ended June 30, 2020.

Truck Loan – On August 26, 2014, the Organization entered into a promissory note for \$85,007 at a fixed rate of 3.25% for the purchase of a 2015 Freightliner Straight Truck Model M2-106. The note matured on August 26, 2019.

The Organization did not pay any interest expense during the year ended June 30, 2021. Interest expense paid during the year ended June 30, 2020 was \$17,308.

Note O – Retirement Plan

The Organization matches eligible employees’ retirement contributions up to a maximum rate of 5% of their wages. For the years ended June 30, 2021 and 2020, this amount totaled \$11,947 and \$9,979, respectively.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note P – Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied, as follows:

Personnel Costs

Salaries and wages, benefits, payroll taxes, and related administrative fees related to personnel which are responsible for management and fundraising functions are allocated accordingly. For personnel, these costs are allocated based on the value of the food distributed.

Professional Fees and Travel, Conferences, and Meetings

Professional fees are allocated entirely to management and general, with the exception of compliance fees. Compliance fees are allocated based on the value of food distributed. Travel, conferences, and meeting expenses were allocated partially based on the time spent training and monitoring agencies, with the remainder allocated entirely to management and general.

Transportation, Building, Office Supplies and IT Costs, Telephone and Internet, Special Events, Postage and Shipping, Equipment Rental and Maintenance, Licenses and Dues, Interest, and Other Miscellaneous Expenses

Transportation-related costs, building-related costs, office supplies, telephone and internet, special events, postage and shipping, equipment rental and maintenance, licenses and dues, interest expense, and other miscellaneous costs that cannot be directly identified are allocated based on an analysis of square footage occupied by each function.

Every year, or more often when program, personnel, or facility requirements change, the bases on which costs are allocated are evaluated. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Note Q – Operating Leases

The Organization's leasing activities consist principally of the leasing of various copiers and printers under operating leases. In March 2017, a lease was signed with Perry ProTech for various machines. Effective December 2020, this lease was terminated and a new agreement was signed with Four-U Office Solutions. The new lease is for one copier and three printers at a cost of \$458 per month for 60 months.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note Q – Operating Leases – (continued)

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 2021:

<u>June 30,</u>		
2022	\$	5,496
2023		5,496
2024		5,496
2025		5,496
2026		<u>2,290</u>
	\$	<u><u>24,274</u></u>

Lease expense paid during the years ended June 30, 2021 and 2020 was \$9,668 and \$13,916, respectively.

Note R – Paycheck Protection Program Loan

On May 1, 2020, West Ohio Food Bank received loan proceeds in the amount of \$103,500 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. West Ohio Food Bank applied for forgiveness and was granted forgiveness for the full loan amount of \$103,500 on November 17, 2020.

West Ohio Food Bank initially recorded a short-term note payable for the loan amount in May 2020, and subsequently recognized income for the forgiven amount in November 2020.

West Ohio Food Bank  
Lima, Ohio

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Notes to Financial Statements

June 30, 2021 and 2020

Note S – COVID-19 Pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on Foundation Behavioral Health Services' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note T – Subsequent Events

Subsequent events have been evaluated through November 18, 2021, which is the date the financial statements were available to be issued. The Organization was provided \$950,000 of CARES funding from the Ohio Association of Foodbanks that must be spent by December 31, 2021. Management and the Board have a plan in place to use these funds to purchase a truck, expand the cooler, provide staff bonuses, purchase refrigerator/freezer units for agencies, purchase cold weather gear for staff members to utilize during distributions and in the freezer, purchase warehouse spoilage equipment, and purchase a refrigerated cargo van and trailer.

West Ohio Food Bank  
Lima, Ohio

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Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<u>FEDERAL GRANTOR/Pass-Through Grantor/ Sub Grantee/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE/</u>			
Food Distribution Cluster:			
Commodity Supplemental Food Program (Food Commodities)	10.565	\$ -	\$ 453,601
<u>Ohio Department of Job &amp; Family Services/</u> Commodity Supplemental Food Program (Administrative Costs)	10.565	-	142,202
<u>Shared Harvest Foodbank, Inc./</u> Emergency Food Assistance Program (Administrative Costs)	10.568	-	408,608
Emergency Food Assistance Program (Food Commodities)	10.569	829,345	3,303,897
Total Food Distribution Cluster		829,345	4,308,308
<u>Shared Harvest Foodbank, Inc./</u> Food Purchase and Distribution Program (Operational Funds)	10.178	-	58,963
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES/</u>			
<u>Ohio Department of Job &amp; Family Services/</u> <u>Ohio Association of Foodbanks/</u> Temporary Assistance For Needy Families (Administrative Costs) (Food Commodities)	93.558	- 276,952	72,568 653,113
Social Services Block Grant (Administrative Costs) (Food Commodities)	93.667	- 25,789	6,757 60,815
Total Federal Expenditures		\$ 1,132,086	\$ 5,160,524

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

Schedule #1

West Ohio Food Bank  
Lima, Ohio

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Notes to the Schedule of Expenditures of Federal Awards

2 CFR 200.516(b)(6)

For the Year Ended June 30, 2021

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of West Ohio Food Bank (the Organization) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B – Summary of Significant Accounting Policies

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, wherein certain types of expenditures may or may not be allowed or may be limited as to reimbursement. The Organization has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C – Noncash Assistance

Noncash assistance recorded in the Schedule consists of food commodities donated by the USDA (Emergency Food Assistance Program, CFDA No. 10.569) and by HHS (Temporary Assistance for Needy Families, CFDA No. 93.558 and Social Services Block Grant, CFDA No. 93.667), all of which are passed through the Ohio Department of Job and Family Services. The donated food commodities are valued at the estimated fair value of \$1.74 per pound (as valued by Feeding America). The Organization's accounting policy for donated inventories is more fully described in Note A of the financial statements and follows accounting principles generally accepted in the United States of America.

During the year ended June 30, 2021, the Organization also received donated food commodities under the Coronavirus Food Assistance Program (CFDA No. 10.130). These donated food commodities are also valued at the estimated fair value of \$1.74 per pound, as described above. The value of CFAP food commodities distributed, totaling \$4,094,736 for the year ended June 30, 2021, are not reported on the Schedule because these funds are not subject to the reporting requirements contained in the Uniform Guidance.

West Ohio Food Bank  
Lima, Ohio

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Notes to the Schedule of Expenditures of Federal Awards

2 CFR 200.516(b)(6)

For the Year Ended June 30, 2021

Note D – COVID-Related Grants

West Ohio Food Bank received the Payroll Protection Program (PPP) Loan (CFDA No. 59.073) in the amount of \$103,500 and the Coronavirus Food Assistance Program (CFDA No. 10.130) in the amount of \$4,169,338 (of which \$4,094,736 was noncash assistance) during the year ended June 30, 2021. These grants are not listed on the Schedule as they are not subject to the reporting requirements contained in the Uniform Guidance.



November 18, 2021

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees  
West Ohio Food Bank  
Lima, Ohio

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 West Ohio Food Bank (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 18, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Ohio Food Bank'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 West Ohio Food Bank's internal control. Accordingly, we do not express an opinion on 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 financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Ohio Food Bank’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 statements 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 and other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This 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 and 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.

*E & Evans and Company*



November 18, 2021

Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees  
West Ohio Food Bank  
Lima, Ohio

Report on Compliance for Each Major Federal Program

We have audited West Ohio Food Bank's 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. West Ohio Food Bank'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of West Ohio Food Bank'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 West Ohio Food Bank's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on West Ohio Food Bank's compliance.

### Opinion on Each Major Federal Program

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

### Report on Internal Control Over Compliance

Management of West Ohio Food Bank 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 West Ohio Food Bank'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 West Ohio Food Bank's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

West Ohio Food Bank's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. West Ohio Food Bank's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

West Ohio Food Bank  
November 18, 2021  
Page 3

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.

*E & Evans and Company*

West Ohio Food Bank  
Lima, Ohio

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Schedule of Findings and Questioned Costs

June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of Report Issued on the Financial Statement prepared in accordance with GAAP –  
Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? No
- Significant deficiency (ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Federal Programs:

- Material weakness(es) identified? No
- Significant deficiency (ies) identified? Yes

Type of Auditor’s Report Issued on Compliance for Major Federal Programs – Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR  
200.516(a)? No

Identification of major federal programs:

CFDA Number #10.565 / 10.568 / 10.569 Food Distribution Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Programs - \$750,000

Auditee Qualified as Low-Risk Auditee? Yes

Section II – Financial Statement Findings

No Matters Reported

West Ohio Food Bank  
Lima, Ohio

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Schedule of Findings and Questioned Costs

June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Finding Number 2021-001

Significant Deficiency - Eligibility

Food Distribution Cluster  
CFDA 10.565 Commodity Supplemental Food Program  
G-2021-17-0472  
U.S. Department of Agriculture

Criteria: Recipients of the Senior Box Distribution Program should complete a new application and be approved for participation every twelve months.

Condition: During our testing of the Food Distribution Cluster, it was found that 6 of the 55 recipients of the Senior Box Distribution Program selected for testing were receiving a distribution based on a completed and approved application that was more than twelve months old.

Effect: If updated eligibility information is not received per program guidelines, distributions could be made to recipients whom are no longer eligible for the program.

Cause: Staff responsible for the program during the year were not monitoring application dates and expiring applications.

Questioned Costs:  $((1 \text{ recipient} \times 11 \text{ months}) + (5 \text{ recipients} \times 3 \text{ months})) \times \$27.03 = \$702.78$

Context: Fifty-five Senior Box distributions were tested. Six were found to be distributed without a valid application on file.

Recommendation: It is our recommendation that the agency implement internal control procedures to ensure that all applications are updated within a twelve-month period, and that recipients without an updated application on file do not receive distributions until a valid, up-to-date application has been obtained.

Views of responsible individuals and planned corrective action: West Ohio Food Bank agrees with this finding. Please refer to the corrective action plan on Page 34.

West Ohio Food Bank  
Lima, Ohio

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Corrective Action Plan

June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Finding Number 2021-001

CFDA 10.565 Commodity Supplemental Food Program

Name of Contact Person: Ginger Loscavo, Program Specialist

Corrective Action: Eligibility issues regarding the Commodity Supplemental Food Program (CSFP) have been recognized by West Ohio Food Bank making internal controls a top priority. Over the past year, the COVID pandemic has caused many changes and alterations to federal programs provided by West Ohio Food Bank. This has resulted in participating seniors receiving a CSFP box self-attesting when they accept their food box instead of signing for themselves. In 2020, there was also a delay in the application being available for clients to re-certify from the Ohio Department of Job & Family Services because of needing to wait on the Memorandum from FNS to move forward with adjusting income guidelines as required by 247.9. Typically, when ODJFS receives documentation needed to adjust the program, all applicants are provided a new application to re-certify in March or April of the current year.

Effective July 1, 2021, procedures have been implemented to ensure that all applicants have a current application (completed within the twelve-month period) or removed from the program until a current, completed application is received by West Ohio Food Bank. This program is overseen by the Program Specialist whose primary duty is ensuring eligibility with CSFP. In addition, it has been made possible to utilize the FreshTrak data program to provide client intake for eligible seniors along with re-certifying them annually. By February 2022, all CSFP applicants will be entered into this data base so all intake, applications, re-certifications, determination letters will be completed electronically. This process will be overseen by the Chief Operations Officer.

Proposed Completion Date: New re-certification occurs between March-April, with a review completed at the end of April adjusting as necessary; however, the process will be ongoing.

West Ohio Food Bank  
Lima, Ohio

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Schedule of Prior Audit Findings

June 30, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Eligibility Compliance	Fully Corrected	
2020-002	Eligibility Controls	Not Corrected	Repeated as Finding 2021-001