

MID-OHIO FOODBANK
CONSOLIDATED
FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

(With Independent Auditor's Report Thereon)

MID-OHIO FOODBANK

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mid-Ohio Foodbank
Grove City, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mid-Ohio Foodbank (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mid-Ohio Foodbank as of June 30, 2022 and 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-Ohio Foodbank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mid-Ohio Foodbank's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but





INDEPENDENT AUDITOR'S REPORT (CONTINUED)

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mid-Ohio Foodbank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mid-Ohio Foodbank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.





INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022, on our consideration of Mid-Ohio Foodbank'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 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 Mid-Ohio Foodbank's 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 Mid-Ohio Foodbank's internal control over financial reporting and compliance.

HWA Alliance of CPA Firms, Inc

Westerville, Ohio
November 17, 2022



MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 5,227,841	\$ 3,231,701
Investments (Note 10)	31,026,005	28,657,375
Pledges Receivable (Note 17)	6,920,320	12,262,584
Accounts Receivable	416,635	27,741
Accounts Receivable-Government	800,753	589,988
Inventory (Note 3)	2,722,016	4,672,729
Prepaid Expenses	100,659	107,689
Assets Held by Others (Note 4)	465,090	566,337
Property, Plant and Equipment; Net (Note 5)	19,143,374	16,623,409
TOTAL ASSETS	\$ 66,822,693	\$ 66,739,553
 LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 996,972	\$ 885,063
Accounts Payable - Pension	202,483	173,540
Accrued Salaries and Other Payroll Liabilities	764,103	714,364
Other Liabilities	597,527	232,742
Deferred Revenue	3,450,340	193,599
TOTAL LIABILITIES	6,011,425	2,199,308
 NET ASSETS		
Without Donor Restrictions:		
Board Designated	451,204	552,679
Operating Reserve - Board Designated	10,517,336	6,920,145
Capital Fund	2,308,308	1,185,484
Undesignated	22,339,866	31,097,735
Total Without Donor Restrictions	35,616,714	39,756,043
With Donor Restrictions (Note 12)	25,194,554	24,784,202
TOTAL NET ASSETS	\$ 60,811,268	\$ 64,540,245
 TOTAL LIABILITIES AND NET ASSETS	 \$ 66,822,693	 \$ 66,739,553

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND PUBLIC SUPPORT			
Food Contributions	\$ 83,015,952	\$ -	\$ 83,015,952
Donations and Grants - Non-Campaign	20,546,199	1,798,294	22,344,493
Donations and Grants - Campaign	2,427,325	2,527,326	4,954,651
Shared Maintenance Fees	2,243,697	-	2,243,697
Program Earned Income	812,534	-	812,534
The Emergency Food Assistance Program (USDA TEFAP)	2,310,669	-	2,310,669
Ohio Food Purchase and Agricultural Clearance Program (OFFACP)	675,668	177,016	852,684
Commodity Supplemental Food Program (CSFP)	519,049	-	519,049
Child and Adult Care Food Program (CACFP)	121,556	20,539	142,095
Investment Income (Loss)	(2,272,381)	-	(2,272,381)
Rental and Other Income	247,137	-	247,137
Net Assets Released from Restrictions - Non-Campaign	693,147	(693,147)	-
Net Assets Released from Restrictions - Campaign	3,419,676	(3,419,676)	-
TOTAL REVENUE AND PUBLIC SUPPORT	114,760,228	410,352	115,170,580
EXPENSES			
Program Services			
Collection Storage and Distribution of Food and Nonfood Items	109,038,870	-	109,038,870
Total Program Services	109,038,870	-	109,038,870
Supporting Services			
Management and General Fundraising	6,413,813	-	6,413,813
Total Supporting Services	3,446,874	-	3,446,874
TOTAL EXPENSES	9,860,687	-	9,860,687
	118,899,557	-	118,899,557
Change in Net Assets	(4,139,329)	410,352	(3,728,977)
Net Assets at Beginning of Year	39,756,043	24,784,202	64,540,245
Net Assets at End of Year	\$ 35,616,714	\$ 25,194,554	\$ 60,811,268

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND PUBLIC SUPPORT			
Food Contributions	\$ 87,075,393	\$ -	\$ 87,075,393
Operation Feed Campaign	1,016,228	-	1,016,228
Donations and Grants	28,431,956	24,429,122	52,861,078
Shared Maintenance Fees	1,100,245	-	1,100,245
Program Earned Income	680,835	-	680,835
The Emergency Food Assistance Program (USDA TEFAP)	2,627,844	252,919	2,880,763
Ohio Food Purchase and Agricultural Clearance Program (OFPACP)	626,261	14,866	641,127
Commodity Supplemental Food Program (CSFP)	467,189	48,922	516,111
Child and Adult Care Food Program (CACFP)	78,608	38,373	116,981
Investment Income	1,527,379	-	1,527,379
Rental and Other Income	698,664	-	698,664
Gain on Extinguishment of Debt	1,600,700	-	1,600,700
Net Assets Released from Restrictions	1,463,466	(1,463,466)	-
TOTAL REVENUE AND PUBLIC SUPPORT	<u>127,394,768</u>	<u>23,320,736</u>	<u>150,715,504</u>
EXPENSES			
Program Services			
Collection Storage and Distribution of Food and Nonfood Items	114,982,997	-	114,982,997
Total Program Services	<u>114,982,997</u>	<u>-</u>	<u>114,982,997</u>
Supporting Services			
Management and General Fundraising	5,627,572	-	5,627,572
Total Supporting Services	3,121,936	-	3,121,936
TOTAL EXPENSES	<u>8,749,508</u>	<u>-</u>	<u>8,749,508</u>
	<u>123,732,505</u>	<u>-</u>	<u>123,732,505</u>
Change in Net Assets	3,662,263	23,320,736	26,982,999
Net Assets at Beginning of Year	36,093,780	1,463,466	37,557,246
Net Assets at End of Year	<u>\$ 39,756,043</u>	<u>\$ 24,784,202</u>	<u>\$ 64,540,245</u>

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Expense</u>	<u>Total Expenses</u>
Food	\$ 94,074,670	\$ -	\$ -	\$ 94,074,670
Labor Costs				
Salaries and Wages	6,953,508	3,192,962	1,256,766	11,403,236
Payroll Taxes	461,933	256,570	103,677	822,180
Employee Benefits	1,259,711	699,677	282,731	2,242,119
Total Labor Costs	<u>8,675,152</u>	<u>4,149,209</u>	<u>1,643,174</u>	<u>14,467,535</u>
Fees for Services				
Professional Fees	150,531	592,804	141,606	884,941
Accounting/Payroll	-	80,591	-	80,591
FreshTrak	596	-	-	596
Data Analytics	-	518,360	-	518,360
ReadySkill	1,141,182	-	-	1,141,182
Other	256,745	2,995	-	259,740
Total Fees for Services	<u>1,549,054</u>	<u>1,194,750</u>	<u>141,606</u>	<u>2,885,410</u>
Other Expenses				
Advertising and Promotion	-	29,487	165,620	195,107
Office Expenses	97,682	32,393	7,730	137,805
Information Technology	213,459	335,981	137,037	686,477
Occupancy	1,182,311	68,205	7,576	1,258,092
Travel	61,082	1,599	1,253	63,934
Conferences and Development	135,564	77,242	15,927	228,733
Insurance	97,221	4,625	514	102,360
Transportation	774,370	-	-	774,370
Fundraising	-	-	1,320,668	1,320,668
Service Delivery	1,124,347	9,240	-	1,133,587
Marketing and Communication	-	458,694	-	458,694
Events	9,772	465	-	10,237
Bad Debts	3,913	-	-	3,913
Total Other Expenses	<u>3,699,721</u>	<u>1,017,931</u>	<u>1,656,325</u>	<u>6,373,977</u>
Depreciation	<u>1,040,273</u>	<u>51,923</u>	<u>5,769</u>	<u>1,097,965</u>
TOTAL EXPENSES	<u>\$ 109,038,870</u>	<u>\$ 6,413,813</u>	<u>\$ 3,446,874</u>	<u>\$ 118,899,557</u>

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Expense</u>	<u>Total Expenses</u>
Food	\$ 98,975,790	\$ -	\$ -	\$ 98,975,790
Labor Costs				
Salaries and Wages	7,232,663	3,107,225	1,185,173	11,525,061
Payroll Taxes	482,252	238,548	100,043	820,843
Employee Benefits	1,207,726	597,407	250,542	2,055,675
Total Labor Costs	<u>8,922,641</u>	<u>3,943,180</u>	<u>1,535,758</u>	<u>14,401,579</u>
Fees for Services				
Professional Fees	130,885	225,203	151,073	507,161
Accounting/Payroll	-	76,282	-	76,282
FreshTrak	1,368,007	-	-	1,368,007
Data Analytics	-	513,765	-	513,765
ReadySkill	412,812	-	-	412,812
Other	280,623	3,060	-	283,683
Total Fees for Services	<u>2,192,327</u>	<u>818,310</u>	<u>151,073</u>	<u>3,161,710</u>
Other Expenses				
Advertising and Promotion	-	31,044	210,639	241,683
Office Expenses	87,331	30,332	10,134	127,797
Information Technology	162,615	285,607	50,863	499,085
Occupancy	1,249,304	61,302	6,811	1,317,417
Travel	26,590	35	899	27,524
Conferences and Development	515,518	26,260	8,346	550,124
Insurance	98,712	2,772	308	101,792
Transportation	683,161	-	-	683,161
Fundraising	-	-	1,141,358	1,141,358
Service Delivery	1,044,170	7,500	-	1,051,670
Marketing and Communication	-	369,510	-	369,510
Bad Debts	327	-	-	327
Total Other Expenses	<u>3,867,728</u>	<u>814,362</u>	<u>1,429,358</u>	<u>6,111,448</u>
Depreciation	<u>1,024,511</u>	<u>51,720</u>	<u>5,747</u>	<u>1,081,978</u>
TOTAL EXPENSES	<u>\$ 114,982,997</u>	<u>\$ 5,627,572</u>	<u>\$ 3,121,936</u>	<u>\$ 123,732,505</u>

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ (3,728,977)	\$ 26,982,999
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense	1,097,965	1,081,978
Loss on Disposal of Asset	399,223	-
Realized Gain on Investment	(265,410)	(460,521)
Unrealized Gains/Losses on Investments	2,801,705	(691,086)
Stock Donations	(287,255)	(2,216,786)
Gain on Extinguishment of Debt	-	(1,600,700)
Changes in Assets:		
(Increase) Decrease in Pledges Receivable	5,342,264	(11,305,421)
(Increase) Decrease in Accounts Receivable	(388,894)	176,104
(Increase) Decrease in Accounts Receivable - Government	(210,765)	873,479
(Increase) Decrease in Inventory	1,950,713	(442,583)
(Increase) Decrease in Prepaid Expenses	7,030	36,000
(Increase) Decrease in Assets Held by Others	101,247	(129,330)
Changes in Liabilities:		
Increase (Decrease) in Accounts Payable	111,909	(88,413)
Increase (Decrease) in Accounts Payable - Pension	28,943	28,497
Increase in Accrued Salaries and Other Payroll Liabilities	49,739	190,724
Increase (Decrease) in Other Liabilities	364,784	141,865
Increase (Decrease) in Deferred Revenue	3,256,741	92,412
Net Cash Provided by Operating Activities	10,630,962	12,669,218
Cash Flows from Investing Activities		
Payments for the Purchase of Investments	(8,000,000)	(20,000,000)
Proceeds from the Sale of Investments	3,821,943	-
Reinvested Investment Income	(439,611)	(160,032)
Proceeds from Loans Payable	-	-
Acquisition of Property, Plant and Equipment	(4,017,154)	(829,045)
Net Cash Used in Investing Activities	(8,634,822)	(20,989,077)
Net Increase (Decrease) in Cash and Cash Equivalents	1,996,140	(8,319,859)
Cash and Cash Equivalents Balance at Beginning of Year	3,231,701	11,551,560
Cash and Cash Equivalents Balance at End of Year	\$ 5,227,841	\$ 3,231,701
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ -	\$ -

See Accompanying Notes to Financial Statements

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 1 - Background

Organization

Mid-Ohio Foodbank is a nonprofit corporation (the Organization) that collects, stores, and distributes food and nonfood items to organizations feeding the needy. The Organization's mission is to end hunger one nourishing meal at a time and co-create a sustainable community where everyone thrives. The Mid-Ohio Food Collective was organized in 1976 and began operations in April 1980. On March 12, 1987, the Organization officially changed its name from Operation Feed, Inc. to Mid-Ohio Foodbank. In 2019 the name Mid-Ohio Food Collective was adopted as the DBA.

In June 2013, the Organization entered into an agreement as the sole member of Urban Farms of Central Ohio, LLC (UFCO), an Ohio non-profit limited liability company. UFCO was organized to create and operate a sustainable, non-profit urban farming business that operates on underutilized urban sites. Mid-Ohio Foodbank retains oversight of the farms and reserved powers for major decisions. The financial statements represent the consolidated operations of Mid-Ohio Foodbank and Urban Farms of Central Ohio, LLC.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Organization uses the accrual basis of accounting.

Basis of Presentation

Donated food is recognized as a contribution and resulting inventory. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- 1) Net assets without donor restrictions represent the portion of expendable funds that is available for support of the operations of the Organization. Since the endowment fund is board/management restricted and not donor restricted, it is included in net assets without donor restrictions.
- 2) Net assets with donor restrictions consist of contributions that are restricted for use in specified programs. These include some government funds receivable.

The Organization obtains donations from the following contracts with governmental agencies:

- 1) The Emergency Food and Shelter Program (EFSP) represents Federal funds that have been distributed to the Organization through the United Way acting as fiscal agent for the Emergency Food and Shelter National Board Program. The funds are designated for the purchase of food for distribution to qualified agencies.
- 2) The USDA-TEFAP Program provides temporary emergency food assistance to its twenty county footprint and is funded through the State of Ohio Department of Human Services, acting for the United States Department of Agriculture (USDA).

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (Continued)
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- 3) The Commodity Supplemental Food Program (CSFP) is a federal USDA food and nutrition program serving nutritionally at-risk, income-eligible participants. It is administered in Ohio by the Department of Job and Family Services and program services are provided locally by designated food banks. The targeted participant population in Ohio is the elderly, ages 60 and older.
- 4) The Child and Adult Care Food Program (CACFP) provides payments for eligible meals served to participants who meet age and income requirements. Mid-Ohio Foodbank serves meals to eligible children through the Mid-Ohio Foodbank Kids' Cafe Program.
- 5) The Summer Food Service Program (SFSP) provides payments for eligible meals served to participants who meet age and income requirements. Mid-Ohio Foodbank serves meals to eligible children through the Mid-Ohio Foodbank Kids' Cafe Program.
- 6) The Temporary Assistance to Needy Families (TANF) program provides time-limited assistance to needy families with children. Funding from the Department of Health and Human Services is passed through the Ohio Association of Foodbanks.
- 7) The Social Services Block Grant (SSBG) is a flexible funding source that allows states and territories to tailor social service programming to their population's needs. Funding from the Department of Health and Human Services is passed through the Ohio Association of Foodbanks.
- 8) The Supplemental Nutrition Assistance Program (SNAP) provides federal funding for part of the administrative costs incurred by state and local agencies to operate the SNAP program. Funding is from the United States Department of Agriculture and is passed through the Ohio Association of Foodbanks.
- 9) The Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges (Navigator) program provides funding to assist helping eligible individuals in obtaining insurance through the Marketplace or Medicaid. Funding from the Department of Health and Human Services is passed through the Ohio Association of Foodbanks.
- 10) The Soil and Water Conservation program provides conservation technical assistance through a national network of locally respected, technically skilled, professional conservationists, to assist them in conserving, improving, and sustaining our natural resources and environments, and funded through the Natural Resources Conservation Service (NCRS) agency, that is part of the United States Department of Agriculture (USDA).
- 11) The Coronavirus State and Local Fiscal Recovery Funds provided funds to construct a 19,000-square-foot addition to our warehouse. Funding from the Department of the Treasury is passed through to the Franklin County Board of Commissioners.
- 12) The Coronavirus Relief Funds provided assistance to obtain and distribute food to Ohio food banks. Funding from the Department of the Treasury is passed through to the Ohio Association of Foodbanks.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Tax Exempt Status

Mid-Ohio Foodbank is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies as a tax-deductible charitable contribution for individual donors. Mid-Ohio Foodbank's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. The Foodbank is also exempt from property tax and state income taxes.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Foodbank considers all bank accounts and cash positions of investment accounts to be cash equivalents.

Property and Equipment

The Foodbank capitalizes the cost of all expenditures over \$5,000 and has a useful life of greater than one year for purchased property and equipment and the estimated fair value of all significant donated property and equipment. Depreciation is provided over the estimated useful lives of the assets or the life of the lease; whichever is shorter, for leasehold improvements, using the straight-line method.

Public Support and Revenue Recognition

Mid-Ohio Foodbank recognizes unconditional contributions when cash, securities, or other assets; or a promise (pledge) to give are received. Unconditional promises to give that are expected to be collected in more than 12 months are recorded at the present value of their estimated future cash flows if deemed material to the consolidated financial statements. Conditional promises to give that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as with or without donor restriction, depending on the existence and nature of any donor restrictions. When the applicable restriction is satisfied or time passes, whichever the case may be, the net assets with donor restriction are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. If the restriction is satisfied in the period of contribution, the contribution is recorded as revenue without donor restriction.

Revenue from cost reimbursement-based government contracts is recognized when reimbursable costs are incurred under the terms of the contracts. Funds are received in either predetermined installments or increments based on estimated or actual expenditures for the period. Accordingly, income under these awards is recognized in amounts equal to the lesser of actual expenditures incurred or the awarded contract amount. Contract payments received in advance of the qualified cost are accounted for as deferred revenue.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Shared Maintenance Fees

To cover distribution costs, the Organization assesses member agencies a \$0.08 per pound charge on certain food distributed to them, although fresh food is available at no charge to agencies. USDA TEFAP food is distributed at \$0.08 per pound, while food procured through food drives is distributed free of charge. These fees are recognized as revenues as the related food distribution services are provided to member agencies. The Organization also charges \$.03 per pound for freight charges on all non-produce products we deliver to partner agencies.

In response to the COVID-19 pandemic Shared Maintenance Fees were waived for the fiscal year 2022.

Donated Services

The Organization has many volunteers who donate their time to the organization’s activities. It is the policy of the Organization not to record the value of these donated services since they do not meet the criteria of generally accepted accounting principles (GAAP) which state, “Contributions of services shall be recognized if the services received 1) create or enhance nonfinancial assets, or 2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.”

Compensated Absences

Employees of the Organization are entitled to paid vacation depending on their length of service. Vacation is earned and accrued on a bi-weekly basis; hours accrued beyond 20 days (160 hours) are forfeited. Employees may be paid up to five (5) days (40 hours) for any unused accrued vacation days within any fiscal year. No vested rights or interests are accrued for sick days.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, labor costs are based on salaries and wages paid and allocated based on the nature of the service or activity performed. Building costs are allocated based on square footage and the remaining costs are allocated according to asset usage.

Expense Classification	Allocation Base
Personnel	Actual Time Allocations
Occupancy	Square footage, usage
Depreciation	Asset use, square footage

Estimates

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

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (Continued)
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Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through November 17, 2022, the date on which the financial statements were available to be issued.

No other events occurred during the subsequent period that should be disclosed.

Fair Value of Financial Instruments

The Organization's financial instruments consist primarily of cash, accounts receivable, accounts payable, and accrued expenses. The carrying amount of these assets and liabilities approximates fair value due to their short-term nature.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires lessees to recognize assets and liabilities on the statement of financial position for leases with lease terms greater than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This ASU amends current guidance that requires only capital leases to be recognized on the lessee's statement of financial position. The ASU will also require additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. In June 2020, FASB issued ASU No. 2020-05, Leases (Topic 842) to defer the implementation date of the new lease standard. Therefore, the Mid-Ohio Foodbank will be required to adopt and implement this standard for the year ending June 30, 2023

In September 2020, FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU addresses the presentation and disclosure of contributed nonfinancial assets and 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. The ASU also requires certain specific disclosures related to these nonfinancial assets, including a description of any donor-imposed restrictions associated with the contributed nonfinancial asset, if the asset was monetized or utilized during the period and the valuation technique used to arrive at the fair value of the asset.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 3 - Inventory

Donated Food

Food donated to the Organization is capitalized as inventory and recorded as an unrestricted contribution. Upon distribution, the food is recorded as a decrease in net assets without restrictions.

Activities of donated food inventory for June 30, 2022 are summarized as follows:

	June 30, 2022	
	Pounds	Dollar Value
Beginning Inventory	3,462,452	\$ 3,488,296
Pounds received for the year		
TEFAP	11,621,352	13,526,617
CFAP	-	-
CSFP	2,439,282	2,458,289
OH Food Purchase Program	9,517,330	4,158,786
Industry Surplus	32,745,969	62,872,260
Total - Pounds received for the year	56,323,933	\$ 83,015,952
Pounds disbursed for the year		
TEFAP	(13,796,083)	(15,259,775)
CFAP	-	-
CSFP	(2,166,831)	(2,186,358)
OH Food Purchase Program	(9,736,261)	(4,358,865)
Industry Surplus	(31,938,742)	(61,247,128)
Total - Pounds disbursed for the year	(57,637,917)	(83,052,126)
Pounds discarded - unusable food	(678,672)	(1,303,050)
Ending Inventory	1,469,796	\$ 2,149,072

The estimated value of donated food is \$1.92 per pound for 2022, which was based on the 2021 Feeding America Product Valuation Survey. The fluctuation in the dollar value of inventory received and distributed may not correlate to the fluctuation in pounds; for example, government commodities may be comprised of fewer pounds with higher unit cost.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 3 – Inventory (Continued)

Activities of donated food inventory for June 30, 2021 are summarized as follows:

	June 30, 2021	
	Pounds	Dollar Value
Beginning Inventory	3,138,433	\$ 3,574,557
Pounds received for the year		
TEFAP	17,949,081	17,042,886
CFAP	6,105,566	10,379,464
CSFP	1,688,887	1,849,037
OH Food Purchase Program	10,165,025	4,494,670
Industry Surplus	29,781,752	53,309,336
Total - Pounds received for the year	65,690,311	\$ 87,075,393
Pounds disbursed for the year		
TEFAP	(16,620,973)	(16,269,874)
CFAP	(6,153,307)	(10,424,883)
CSFP	(2,042,446)	(1,939,994)
OH Food Purchase Program	(10,330,516)	(4,490,972)
Industry Surplus	(28,394,321)	(50,769,667)
Total - Pounds disbursed for the year	(63,541,563)	(83,895,390)
Pounds discarded - unusable food	(1,824,729)	(3,266,265)
Ending Inventory	3,462,452	\$ 3,488,295

The estimated value of donated food is \$1.79 per pound for 2021, which was based on the 2020 Feeding America Product Valuation Survey. The fluctuation in the dollar value of inventory received and distributed may not correlate to the fluctuation in pounds; for example, government commodities may be comprised of fewer pounds with higher unit costs.

Purchased Food

In addition to donated food, the Organization also maintains an inventory of purchased food as follows:

	June 30, 2022	
	Pounds	Dollar Value
Beginning Inventory	1,203,113	\$ 1,184,434
Purchases	18,655,320	8,552,979
Food Distributed	(19,252,385)	(9,164,469)
Ending Inventory	606,048	\$ 572,944
TOTAL INVENTORY		\$ 2,722,016

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 3 – Inventory (Continued)

	June 30, 2021	
	Pounds	Dollar Value
Beginning Inventory	1,227,421	\$ 655,589
Purchases	19,340,352	11,701,351
Food Distributed	(19,364,660)	(11,172,506)
Ending Inventory	1,203,113	\$ 1,184,434
TOTAL INVENTORY		\$ 4,672,729

Total inventory for June 30, 2022 was \$2,722,016 and total inventory for June 30, 2021 was \$4,672,729.

Note 4 - Assets Held by Others

Endowment Fund- In December 2004, Mid-Ohio Foodbank established a fund with the Columbus Foundation. All income from this fund is to be reinvested into the fund principal. Mid-Ohio Foodbank is the beneficiary of this fund and may direct Columbus Foundation as to the distribution of the funds. A specified beneficiary recognizes its rights to the assets held by a recipient organization as an asset unless the donor has explicitly granted the recipient organization variance power. At the time of transfer, Mid-Ohio Foodbank granted variance power to the Columbus Foundation to distribute the funds to other recipients. Therefore, generally accepted accounting principles require that assets transferred in which variance power was granted be omitted from the beneficiary’s statement of financial position.

However, management believes it is highly unlikely that the Columbus Foundation would ever exercise its variance power and that the funds will be distributed only as directed by Mid-Ohio Foodbank. Therefore, management has chosen to report these funds on its statement of financial position as Assets Held by Others and to include in the statement of activities the earnings and gains (losses) generated by the fund. The funds are reflected in the financial statement at the current fair market value.

The endowment fund is reported as a board designated net asset without donor restrictions. As the fund and earnings continue to grow long-term, they may be utilized for future operating expenses as determined by the board and management.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 4 - Assets Held by Others (Continued)

Catholic Foundation- In March 2016, Mid-Ohio Foodbank transferred \$5,000 of operating funds to establish a donor advised fund with the Catholic Foundation as a new opportunity for engaging existing and prospective donors. The President & CEO and CFO are named as advisors to the fund and can, at their discretion, request that donations be disbursed to the organization.

Long-term investment activity is reflected in the table below:

	June 30, 2022		June 30, 2021	
	Columbus Foundation	Catholic Foundation	Columbus Foundation	Catholic Foundation
Beginning	\$ 552,680	\$ 13,657	428,776	\$ 8,231
Contributions	-	220	100	5,420
Investment Return (net)	(101,476)	9	123,804	6
Ending	<u>\$ 451,204</u>	<u>\$ 13,886</u>	<u>\$ 552,680</u>	<u>\$ 13,657</u>

Note 5 - Property, Plant and Equipment-net

Property, plant and equipment consisted of the following:

	June 30, 2022	June 30, 2021
Building	\$ 18,309,129	\$ 16,574,794
Building Improvements	1,987,077	1,908,907
Vehicles	2,704,521	3,132,213
Machinery and Equipment	1,435,357	1,309,899
Office Fixtures and Equipment	1,121,024	1,008,023
Land	1,773,885	1,570,266
Parking Lot	746,885	694,135
Leasehold Improvement in Progress	1,642,207	536,673
Total Property, Plant and Equipment	<u>29,720,085</u>	<u>26,734,910</u>
Accumulated Depreciation	(10,576,711)	(10,111,501)
Property, Plant and Equipment-net	<u>\$ 19,143,374</u>	<u>\$ 16,623,409</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$1,097,965 and \$1,081,978, respectively.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 6 - Retirement and Tax-Sheltered Annuity Plan

The Organization maintains a defined contribution pension plan for all full-time employees who have completed at least one year of service. Contributions of \$749,821 and \$690,327 were made for the years ended June 30, 2022, and 2021, respectively. Pension plan contributions consist of safe harbor and employer match contributions, along with a discretionary amount based upon a percentage of the annual compensation of eligible employees; discretionary contributions are set by the Board of Trustees according to the availability of funds. During the year ended June 30, 2013, the Organization began a Private Section 457(b) deferred compensation plan for executive management. Contributions of \$26,000 and \$0 were made for the year ended June 30, 2022, and 2021, respectively. Discretionary contributions are set by the Board of Directors.

Note 7 - Deferred Revenue

Deferred revenue represents donations designated for 2023 operating support, and credit balances in accounts receivable from government reimbursable contracts which have not been earned as of June 30, 2022.

Note 8 - Contingencies

Contracts and grants with various Local, State and Federal agencies are subject to audits and final settlements under the terms and conditions contained therein. Until such audits and final settlements have been reached, there exists a contingency to refund any amount received in excess of expended allowable costs.

Management believes that no material liability would result from such audits and final settlements. The Foodbank had complied, in all material respects, with the provisions of each grant and contract, and no provision for possible loss and or assessment had been recorded.

Note 9 - Concentration of Credit Risk

The Organization's funds contained in its cash balance on June 30, 2022, were held in a total of five different financial institutions. Each of these institutions provides insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation. On June 30, 2022, the cash on deposit at Huntington National Bank (HNB) and JP Morgan Chase exceeded this \$250,000 limit by \$2,601,890 and \$385,473, respectively.

At June 30, 2021, the cash on deposit at Huntington National Bank (HNB) and JP Morgan Chase exceeded this \$250,000 limit by \$2,294,046 and \$773,901, respectively.

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 10 - Investments

The Organization maintains investments in cash, equities, and equity funds. Investments are carried at fair value and realized, and unrealized gains and losses are reflected within investment return in the statement of activities.

All investments are classified as Level 1 (Quoted Prices in Active Markets for Identical Assets/Liabilities) investments.

The investments consisted of the following at June 30, 2022:

Description	Fair Value	2022 Cost	Unrealized Gain (Loss)
Equities	\$4,461,394	\$4,021,884	\$439,510
Fixed Income	4,048,244	4,191,820	(143,576)
Mutual Funds	22,516,367	24,064,160	(1,547,793)
Total	\$31,026,005	\$32,277,864	\$ (1,251,859)

The investments consisted of the following at June 30, 2021:

Description	Fair Value	2021 Cost	Unrealized Gain (Loss)
Equities	\$ 4,982,243	\$ 4,027,636	\$ 954,607
Fixed Income	1,209,279	1,182,524	26,755
Mutual Funds	22,465,853	22,235,083	230,770
Total	\$ 28,657,375	\$ 27,445,243	\$ 1,212,132

Investment income consisted of the following for the years ended June 30:

	2022	2021
Interest and Dividend Income	\$ 465,181	\$ 173,878
Realized Gain on Investments	142,672	700,004
Unrealized Gains/Losses on Investments	(2,801,705)	691,086
Brokerage Fees	(78,529)	(37,589)
Net Investment Income (Loss)	\$ (2,272,381)	\$ 1,527,379

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 11 – Leases

Reeb Avenue Center rents a portion of a building on Reeb Avenue from the City of Columbus, Ohio. On August 15, 2021, Mid-Ohio Foodbank renewed its sublease agreement with the Reeb Avenue Center to operate South Side Roots Café. South Side Roots is owned and operated by Mid-Ohio Foodbank and includes a pay-what-you-can café, daily community meals, and a Kids' Café meal program for students at South Side Learning & Development Center and the Boys & Girls Club of Columbus. The lease is for the period September 1, 2021, through August 31, 2024.

Future lease payments are:

FY 2023	\$ 20,225
FY 2024	20,225
FY 2025	3,371
Future Lease Payments	<u>\$ 43,821</u>

Note 12 – Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Rooted in You Campaign	\$ 23,174,708	\$ 24,067,059
Humana	1,089,295	-
NRCS	226,930	173,967
OAS	224,059	-
Reinberger Foundation	160,000	-
SNAP	22,160	14,866
Kids' Meals CACFP/SFSP	20,539	38,373
TEFAP	-	252,919
Franklin County	-	60,941
CSFP	-	48,922
Others with Donor Restrictions	276,863	127,155
	<u>\$ 25,194,554</u>	<u>\$ 24,784,202</u>

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 13 – Net Assets Released from Restrictions

Net assets that were released from restrictions are the following:

	June 30, 2022	June 30, 2021
Government - CFDA - Restricted	\$ 173,967	\$ 77,856
TEFAP - Restricted	252,918	863,276
SNAP Support - Restricted	14,866	13,655
CSFP - Restricted	48,922	94,099
Government Restricted - non CFDA	10,941	-
Government Restricted - non CFDA - Farm	50,000	58,065
CAFPCP - Restricted	38,373	91,900
Discounts - Pledges	(198,590)	-
Campaign	3,618,267	-
Humana	78,204	-
FA-Walmart	2,615	-
Costco	22,340	-
OAS	-	259,615
City of Columbus	-	5,000
Total Assets Released from Restrictions	<u>\$ 4,112,823</u>	<u>\$ 1,463,466</u>

Note 14 – Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows.

Cash and Cash Equivalents	\$ 5,227,841
Investments	31,026,005
Accounts Receivable	416,635
Accounts Receivable-Government	800,753
Less: Restricted Cash	(17,573,480)
Less: Operating Reserve	(10,517,336)
Less: Capital Replenishment Reserve	(2,308,308)
Less: Accounts Payable	(996,972)
Less: Accounts Payable-Pension	(202,483)
Less: Accrued Salaries and Other Payroll Liabilities	(764,103)
Less: Other Liabilities	(597,527)
Total	<u>\$ 4,511,025</u>

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 14 – Liquidity (Continued)

As part of MOF’s liquidity management, it has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization holds the equivalent of three to four months of operating expenses, excluding contributed food, in reserve. That averaged \$2.7M per month in FY2022 and is held in various investments which can be liquidated in the event of an unanticipated need, with approval and review by the Board of Directors.

Note 15 – Cash and Cash Equivalents

Cash and cash equivalents consisted of money on deposit at five different financial institutions as well as cash that was contained in the Foodbank’s investment account with Huntington. Cash and cash equivalents consisted of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash - Checking and Money Market Accounts	\$ 3,248,835	\$ 3,000,159
Cash - Investment Portfolio	1,979,006	231,542
Total	<u>\$ 5,227,841</u>	<u>\$ 3,231,701</u>

Note 16 – Rooted in You: The Campaign to Re-Imagine Ending Hunger

The Organization launched the Rooted in You campaign in fiscal year 2020. Through the end of fiscal year 2022 we have recognized \$31.7 million and expect to end at just under \$44 million when all performance requirements have been met.

1. Create and sustain Mid-Ohio Markets
2. Enhance the Mid-Ohio Farm on the Hilltop
3. Develop a new data and insights platform
4. Reimagine the Food Collective’s facility
5. Freezer expansion project
6. Operating funds to support the above initiatives

Note 17 – Pledges Receivable

Description	<u>< 1 Year</u>	<u>1 to 5 Years</u>	<u>> 5 Years</u>	<u>Total</u>
Rooted in You Campaign	\$ 4,384,300	\$ 2,863,166	\$ -	\$7,247,466
Discount of Pledges	-	(327,146)	-	(327,146)
Net Pledge	<u>\$ 4,384,300</u>	<u>\$ 2,536,020</u>	<u>\$ -</u>	<u>\$6,920,320</u>

MID-OHIO FOODBANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

Note 18 – Risk and Uncertainties Global Pandemic

In March 2020, the World Health Organization recognized the outbreak of COVID-19 disease as a pandemic. Governments worldwide continue to take actions to prevent the spread of the outbreak, including event cancellations and quarantines that have created widespread adverse impacts to the global economy as well as business interruptions. Given the dynamic nature of these circumstances and the duration of business disruption, the future financial impact on the Organization cannot be reasonably estimated at this time.

MID-OHIO FOODBANK
UNIFORM GUIDANCE
SUPPLEMENTAL FINANCIAL REPORT
For the Year Ended June 30, 2022

MID-OHIO FOODBANK

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CONSOLIDATED FINANCIALS OF MID-OHIO FOODBANK
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Number	Assistance Listing Number	Expenditures
Food Distribution Programs			
United States Department of Agriculture Pass-Through Programs			
Passed through Ohio Department of Jobs & Family Services			
Commodity Supplemental Food Program (Administrative Costs)	G - 2223 - 17 - 0172	10.565	\$ 168,412
	G - 2223 - 17 - 0729	10.565	350,637
Commodity Supplemental Food Program (Food Commodities) (Note B)	G - 2223 - 17 - 0172	10.565	735,549
	G - 2223 - 17 - 0729	10.565	1,450,809
Total Commodity Supplemental Food Program			<u>2,705,407</u>
Emergency Food Assistance Program (Administrative Costs)	G - 2223 - 17 - 0162	10.568	983,856
	G - 2223 - 17 - 0742	10.568	547,290
Emergency Food Assistance Program (Food Commodities) (Note B)	G - 2223 - 17 - 0162	10.569	2,944,916
	G - 2223 - 17 - 0742	10.569	7,312,784
Emergency Food Assistance Program (Build Back Better Administrative Costs) (Note B)	G - 2223 - 17 - 0742	10.568	779,523
Emergency Food Assistance Program (Build Back Better Food Commodities) (Note B)	G - 2223 - 17 - 0742	10.569	2,609,561
Emergency Food Assistance Program (Covid Supplemental Assistance Food Commodities) (Note B)	G - 2223 - 17 - 0742	10.569	2,182,675
Emergency Food Assistance Program (Cares Food Commodities) (Note B)	G - 2223 - 17 - 0162	10.569	65,748
Emergency Food Assistance Program (FFCRA Food Commodities) (Note B)	G - 2223 - 17 - 0162	10.569	65,748
Emergency Food Assistance Program (Disaster Assistance Food Commodities) (Note B)	G - 2223 - 17 - 0742	10.569	78,342
Total Emergency Food Assistance Program			<u>17,570,443</u>
Total Passed through Ohio Department of Jobs & Family Services			<u>20,275,850</u>
Passed through Natural Resources Conservation Service			
Soil and Water Conservation - Community Garden Projects	68-5E34-16-798	10.902	396,777
Total Passed through Soil and Water Conservation - Community Garden Projects			<u>396,777</u>
Total Passed through Natural Resources Conservation Service			<u>396,777</u>
Passed through Ohio Department of Education - Office for Child Nutrition			
Summer Food Service Program for Children		10.559	90,333
Child and Adult Care Food Program		10.558	51,282
Total Passed through Ohio Department of Education - Office for Child Nutrition			<u>141,615</u>
Total United States Department of Agriculture			<u>20,814,242</u>
Total Food Distribution Programs			<u>20,814,242</u>
Other Programs			
United States Department of Agriculture Pass-Through Programs			
Passed through Ohio Association of Foodbanks			
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	SNAPFY22Q1MOFB	10.561	52,056
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	SNAPFY22MOFB	10.561	181,202
Total Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants			<u>233,258</u>
Emergency Food Assistance Program (Farm to Foodbanks)	G-2223-17-0792-1	10.568	34,099
Total Passed through Ohio Association of Foodbanks			<u>267,357</u>
Total United States Department of Agriculture			<u>267,357</u>
Department of Health and Human Services Pass-Through Programs			
Passed through Franklin County Job & Family Services			
Temporary Assistance to Needy Families (Food Purchase & Distribution Costs)	25-22-3634	93.667	100,000
Total Passed through Franklin County Job & Family Services			<u>100,000</u>
Passed through Ohio Association of Foodbanks			
Social Services Block Grant (Food Commodities)	G-2223-17-0382	93.667	423,442
Total Social Services Block Grant			<u>423,442</u>
Temporary Assistance to Needy Families (Administrative Costs)	G-2223-17-0382	93.558	720,304
Temporary Assistance to Needy Families (Food Commodities)	G-2223-17-0382	93.558	3,819,566
Total Temporary Assistance to Needy Families			<u>4,539,870</u>
Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	NAVCA210422-01-00	93.332	115,386
Total Navigator Grants			<u>115,386</u>
Total Passed through Ohio Association of Foodbanks			<u>5,078,698</u>
Total Department of Health and Human Services			<u>5,178,698</u>
Department of the Treasury Pass-Through Programs			
Passed through Ohio Association of Foodbanks			
Coronavirus Relief Fund	G-2223-17-0445	21.019	950,000
Total Coronavirus Relief Fund			<u>950,000</u>
Total Passed through Ohio Association of Foodbanks			<u>950,000</u>
Passed through Franklin County Board of Commissioners			
Coronavirus State and Local Fiscal Recovery Funds	0572-21	21.027	223,734
Total Passed through Franklin County Board of Commissioners			<u>223,734</u>
Total Department of Treasury			<u>1,173,734</u>
Federal Emergency Management Agency Pass-Through Programs			
Passed through United Way of Franklin County			
Emergency Food and Shelter National Board Program (Phase 37)	37-6672-00 LRO 002	97.024	16,715
Emergency Food and Shelter National Board Program (Phase 38)	38-6672-00 LRO 002	97.024	74,353
Emergency Food and Shelter National Board Program (CARES)	CARES-6672-00 LRO 002	97.024	85,127
Total Emergency Food and Shelter National Board Program			<u>176,195</u>
Total Passed-through United Way of Franklin County			<u>176,195</u>
Total Federal Emergency Management Agency			<u>176,195</u>
Total Other Programs			<u>6,785,730</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 27,610,226</u>

MID-OHIO FOODBANK
NOTES TO THE CONSOLIDATED SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
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 grant activity of Mid-Ohio Foodbank under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented 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 allowable or may be limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE C – FOOD DONATION PROGRAM

The Organization reports commodities consumed on the Schedule at the entitlement value. At June 30, 2022, the organization had food commodities totaling \$825,186 in inventory, comprised of Assistance Listing Number 10.565 - \$778,144 and Assistance Listing Number 10.569 - \$47,042 which are excluded from this schedule.

**MID-OHIO FOODBANK
NOTES TO THE CONSOLIDATED SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE D – SUBRECIPIENTS

The Organization passes certain federal awards (commodities) received to other not-for-profit agencies (subrecipients). As a subrecipient, the Organization has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards/commodities as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

These distributions were included in the schedule of federal expenditures of federal awards under Assistance Listing Numbers 93.558, 93.667, 10.565, 10.568, 10.569 and 10.178. The distribution of commodities to subrecipients is reflected below:

Subrecipients ≥ \$200k	Assistance Listing Number 93.558	Assistance Listing Number 93.667	Assistance Listing Number 10.565	Assistance Listing Number 10.569	Total
Total	\$ 2,901,979	\$ 313,926	\$ 2,162,493	\$ 9,206,562	\$14,584,960

NOTE E – INDIRECT COST RATE ELECTION

The Organization has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**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***

To the Board of Directors
Mid-Ohio Foodbank
Grove City, 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 Mid-Ohio Foodbank (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Ohio Foodbank's internal control over financial reporting (internal control) as a basis for designing 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 Mid-Ohio Foodbank's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Ohio Foodbank'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.





**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***
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-Ohio Foodbank'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HWA Alliance of CPA Firms, Inc

Westerville, Ohio
November 17, 2022



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

To the Board of Directors of
Mid-Ohio Foodbank
Grove City, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mid-Ohio Foodbank’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Mid-Ohio Foodbank’s major federal programs for the year ended June 30, 2022. Mid-Ohio Foodbank’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mid-Ohio Foodbank 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 federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mid-Ohio Foodbank and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mid-Ohio Foodbank’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mid-Ohio Foodbank’s federal programs.



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE- (continued)

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mid-Ohio Foodbank’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mid-Ohio Foodbank’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mid-Ohio Foodbank’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mid-Ohio Foodbank’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Mid-Ohio Foodbank’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE- (continued)

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE- (continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Mid-Ohio Foodbank as of and for the year ended June 30, 2022, and have issued our report thereon dated November 17, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

HWA Alliance of CPA Firms, Inc

Westerville, Ohio
November 17, 2022

**MID-OHIO FOODBANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I — Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance [2 CFR 200.516(a)]? _____ yes X no

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.565, 10.568, 10.569 93.667 21.019	Food Distribution Cluster Social Services Block Grant Coronavirus Relief Fund
Dollar threshold used to distinguish between type A and type B programs:	\$ 828,307
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**MID-OHIO FOODBANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II — Financial Statement Findings
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None

Section III — Federal Award Findings and Questioned Costs
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None