

**OHIO ASSOCIATION OF FOODBANKS
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2023 AND 2022**

OHIO ASSOCIATION OF FOODBANKS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ohio Association of Foodbanks
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of the **Ohio Association of Foodbanks** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Ohio Association of Foodbanks** as of June 30, 2023, 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 audit 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **Ohio Association of Foodbanks** and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management 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.

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 the ability of the **Ohio Association of Foodbanks** to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' 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 auditors' report that includes our opinion. 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 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, including omissions, 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 the internal control of the **Ohio Association of Foodbanks**. 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 the ability of the **Ohio Association of Foodbanks** 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 AUDITORS' REPORT - CONTINUED

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the **Ohio Association of Foodbanks'** 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 the **Ohio Association of Foodbanks'** internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of the **Ohio Association of Foodbanks** as of June 30, 2022 were audited by other auditors whose report dated November 1, 2022, expressed an unmodified opinion on those statements.



Columbus, Ohio
December 6, 2023

OHIO ASSOCIATION OF FOODBANKS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 31,638,289	\$ 7,401,715
Grants and accounts receivable	<u>2,868,520</u>	<u>2,102,864</u>
Total current assets	34,506,809	9,504,579
PROPERTY AND EQUIPMENT, NET	12,917	-
RIGHT-OF-USE ASSET (OPERATING LEASE)	<u>585,847</u>	-
	<u>\$ 35,105,573</u>	<u>\$ 9,504,579</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of operating lease obligations	\$ 67,970	\$ -
Accounts payable	4,146,844	1,663,131
Accrued wages and payroll taxes	164,085	125,000
Deferred revenue	<u>22,163,648</u>	<u>835,409</u>
Total current liabilities	26,542,547	2,623,540
LONG-TERM LIABILITIES		
Operating lease obligations, net of current maturities	<u>527,008</u>	-
Total liabilities	<u>27,069,555</u>	<u>2,623,540</u>
NET ASSETS		
Without donor restrictions - Designated by Board	492,000	492,000
Without donor restrictions - Undesignated by Board	7,066,332	6,389,039
With donor restrictions	<u>477,686</u>	-
	<u>8,036,018</u>	<u>6,881,039</u>
	<u>\$ 35,105,573</u>	<u>\$ 9,504,579</u>

OHIO ASSOCIATION OF FOODBANKS**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Public Support			
Governmental revenue	\$ 59,112,797	\$ -	\$ 59,112,797
Foundation revenue	395,535	477,686	873,221
Membership dues	245,497	-	245,497
Donations	<u>90,885</u>	<u>-</u>	<u>90,885</u>
Total Public Support	<u>59,844,714</u>	<u>477,686</u>	<u>60,322,400</u>
Other Revenue			
Interest income	166,758	-	166,758
Other	<u>456,533</u>	<u>-</u>	<u>456,533</u>
Total Other Revenue	<u>623,291</u>	<u>-</u>	<u>623,291</u>
Released from purpose restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>60,468,005</u>	<u>477,686</u>	<u>60,945,691</u>
FUNCTIONAL EXPENSES			
Program expenses			
All food programs	51,837,876	-	51,837,876
Other programs	<u>6,395,295</u>	<u>-</u>	<u>6,395,295</u>
Total program expenses	58,233,171	-	58,233,171
Support services			
Management and general	<u>1,557,541</u>	<u>-</u>	<u>1,557,541</u>
Total Functional Expenses	<u>59,790,712</u>	<u>-</u>	<u>59,790,712</u>
CHANGE IN NET ASSETS	677,293	477,686	1,154,979
NET ASSETS			
Beginning of year	<u>6,881,039</u>	<u>-</u>	<u>6,881,039</u>
End of year	<u>\$ 7,558,332</u>	<u>\$ 477,686</u>	<u>\$ 8,036,018</u>

See notes to financial statements.

OHIO ASSOCIATION OF FOODBANKS**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Public Support			
Governmental revenue	\$ 44,243,772	\$ -	\$ 44,243,772
Foundation revenue	408,183	-	408,183
Membership dues	245,497	-	245,497
Donations	<u>169,588</u>	<u>-</u>	<u>169,588</u>
Total Public Support	<u>45,067,040</u>	<u>-</u>	<u>45,067,040</u>
Other Revenue			
Interest income	2,829	-	2,829
Other	<u>648,300</u>	<u>-</u>	<u>648,300</u>
Total Other Revenue	<u>651,129</u>	<u>-</u>	<u>651,129</u>
Released from purpose restrictions	<u>235,000</u>	<u>(235,000)</u>	<u>-</u>
Total Public Support and Revenue	<u>45,953,169</u>	<u>(235,000)</u>	<u>45,718,169</u>
FUNCTIONAL EXPENSES			
Program expenses			
All food programs	37,891,878	-	37,891,878
Other programs	<u>5,011,936</u>	<u>-</u>	<u>5,011,936</u>
Total program expenses	42,903,814	-	42,903,814
Support services			
Management and general	<u>954,824</u>	<u>-</u>	<u>954,824</u>
Total Functional Expenses	<u>43,858,638</u>	<u>-</u>	<u>43,858,638</u>
CHANGE IN NET ASSETS	2,094,531	(235,000)	1,859,531
NET ASSETS			
Beginning of year	<u>4,786,508</u>	<u>235,000</u>	<u>5,021,508</u>
End of year	<u>\$ 6,881,039</u>	<u>\$ -</u>	<u>\$ 6,881,039</u>

See notes to financial statements.

OHIO ASSOCIATION OF FOODBANKS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	PROGRAM EXPENSES			SUPPORT SERVICES	Total
	All Food Programs	Other Programs	Programs Subtotal	General and Management	
Wages and salaries	\$ 409,967	\$ 809,641	\$ 1,219,608	\$ 470,179	\$ 1,689,787
Fringe benefits - employees	89,746	229,259	319,005	138,481	457,486
Payroll taxes - employees	34,707	69,863	104,570	30,928	135,498
Living allowance/stipends - National Service	-	754,435	754,435	-	754,435
Payroll taxes - National Service	-	2,544	2,544	-	2,544
Accounting services	7,643	27,400	35,043	7,190	42,233
Consulting	25,000	-	25,000	254,587	279,587
Marketing/PR consulting	-	55,457	55,457	60,060	115,517
Legal fees	-	-	-	1,819	1,819
Training - employee	30	-	30	860	890
Meeting and conference expenses	2,865	587	3,452	43,051	46,503
Program expenses	134,855	2,111,156	2,246,011	273,009	2,519,020
Office supplies	3,190	6,280	9,470	1,759	11,229
Printing and copying	2,155	17,625	19,780	7,840	27,620
Publications	-	8,106	8,106	603	8,709
Postage	2,136	5,417	7,553	1,449	9,002
Advertising	-	374,446	374,446	1,250	375,696
Membership dues	545	-	545	27,228	27,773
Rent	33,614	80,332	113,946	34,870	148,816
Telephone	4,849	11,548	16,397	11,594	27,991
Insurance	-	-	-	32,681	32,681
Travel	7,446	8,497	15,943	16,537	32,480
Equipment and software purchases	1,176	-	1,176	67,219	68,395
Interest expense/bank and collection fees	-	-	-	1,967	1,967
Miscellaneous expense	150	3,269	3,419	36,356	39,775
Grants to foodbanks	109,419	1,778,916	1,888,335	-	1,888,335
Grants to agencies	-	40,365	40,365	-	40,365
Shelf stable and protein	11,988,953	-	11,988,953	-	11,988,953
Agricultural surplus	8,036,527	-	8,036,527	-	8,036,527
TANF/Innovative Backpack Programs	2,303,764	-	2,303,764	-	2,303,764
OPI	164,109	-	164,109	-	164,109
USDA	1,828	-	1,828	-	1,828
CareSource	1,019	-	1,019	-	1,019
American Rescue Plan Act	17,952,902	-	17,952,902	-	17,952,902
Best Buy	114,835	-	114,835	-	114,835
Storage and distribution	4,081,379	-	4,081,379	-	4,081,379
Freight	103,630	-	103,630	-	103,630
Sponsorship fees	-	-	-	12,017	12,017
Depreciation	-	-	-	2,583	2,583
Training - inservice	-	152	152	-	152
Subscriptions	-	-	-	20,643	20,643
Parking - non - employee	-	-	-	781	781
Local Food Purchase Assistance	6,219,437	-	6,219,437	-	6,219,437
Total Functional Expenses	\$ 51,837,876	\$ 6,395,295	\$ 58,233,171	\$ 1,557,541	\$ 59,790,712

See notes to financial statements.

OHIO ASSOCIATION OF FOODBANKS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	PROGRAM EXPENSES			SUPPORT SERVICES	Total
	All Food Programs	Other Programs	Programs Subtotal	General and Management	
Wages and salaries	\$ 311,985	\$ 642,474	\$ 954,459	\$ 327,433	\$ 1,281,892
Fringe benefits - employees	76,697	211,489	288,186	157,216	445,402
Payroll taxes - employees	27,067	56,137	83,204	38,431	121,635
Living allowance/stipends - National Service	-	717,814	717,814	-	717,814
Payroll taxes - National Service	-	2,828	2,828	-	2,828
Accounting services	3,568	18,997	22,565	15,267	37,832
Consulting	-	-	-	16,244	16,244
Marketing/PR consulting	-	41,826	41,826	60,187	102,013
Legal fees	-	-	-	25	25
Training - employee	1,108	-	1,108	1,304	2,412
Meeting and conference expenses	1,760	843	2,603	7,314	9,917
Program expenses	-	1,464,656	1,464,656	42,147	1,506,803
Office supplies	2,833	7,079	9,912	2,343	12,255
Printing and copying	547	11,917	12,464	12,844	25,308
Publications	-	8,841	8,841	9,716	18,557
Postage	2,120	5,111	7,231	2,295	9,526
Advertising	-	181,453	181,453	22,424	203,877
Membership dues	1,746	-	1,746	14,158	15,904
Rent	20,281	52,816	73,097	18,815	91,912
Telephone	3,971	10,088	14,059	11,962	26,021
Insurance	-	-	-	28,992	28,992
Travel	6,878	4,549	11,427	19,338	30,765
Equipment and software purchases	-	1,352	1,352	68,466	69,818
Interest expense/bank and collection fees	-	-	-	924	924
Miscellaneous expense	19,067	5,688	24,755	76,979	101,734
Grants to foodbanks	-	1,565,978	1,565,978	-	1,565,978
Grants to agencies	348,069	-	348,069	-	348,069
Shelf stable and protein	12,311,012	-	12,311,012	-	12,311,012
Agricultural surplus	7,471,920	-	7,471,920	-	7,471,920
TANF/Innovative Backpack Programs	2,392,843	-	2,392,843	-	2,392,843
Coronavirus Relief Fund	11,400,024	-	11,400,024	-	11,400,024
OPI	133,682	-	133,682	-	133,682
USDA	146,930	-	146,930	-	146,930
CareSource	121,930	-	121,930	-	121,930
Farm Credit MidAmerica	25,000	-	25,000	-	25,000
Best Buy	114,840	-	114,840	-	114,840
Storage and distribution	2,946,000	-	2,946,000	-	2,946,000
Total Functional Expenses	\$ 37,891,878	\$ 5,011,936	\$ 42,903,814	\$ 954,824	\$ 43,858,638

See notes to financial statements.

OHIO ASSOCIATION OF FOODBANKS

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 1,154,979	\$ 1,859,531
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	2,583	-
Non-cash operating lease expense	<u>9,131</u>	<u>-</u>
	1,166,693	1,859,531
Changes in operating assets and liabilities:		
Grants and accounts receivable	(765,656)	(1,134,763)
Accounts payable	2,483,713	1,535,448
Accrued wages and payroll taxes	39,085	(104,441)
Deferred revenue	<u>21,328,239</u>	<u>(187,715)</u>
Net Cash and Cash Equivalents Provided by Operating Activities	24,252,074	1,968,060
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(15,500)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,236,574	1,968,060
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>7,401,715</u>	<u>5,433,655</u>
End of year	<u>\$ 31,638,289</u>	<u>\$ 7,401,715</u>

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The mission of the **Ohio Association of Foodbanks** (the "Association") is to assist Feeding America foodbanks in Ohio in providing food and other resources to people in need and to pursue areas of common interest for the benefit of people in need. The Association's primary source of funding is grants from governmental agencies.

Basis of Accounting - The Association's financial statements are prepared on the accrual basis of accounting. The Association's financial presentation is in accordance with generally accepted accounting principles ("GAAP"). Under GAAP, the Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of expendable funds that is available for support of the Association. The Board of Directors of the Association have designated net assets to be used as a reserve for general operating expenses in the event of a major loss of funding. Total board designated net assets as of June 30, 2023 and 2022 were \$492,000.

Net Assets With Donor Restrictions - Net assets with donor-imposed restrictions are limited as to use by donor-imposed restrictions that either expire by passage of time or that can be fulfilled or removed by actions of the Association. When net assets with donor restrictions expire, net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Association has no net assets that are required to be maintained in perpetuity.

Financial Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Association considers bank accounts and certificates of deposit purchased with a maturity of one year or less to be cash and cash equivalents. Interest income on the certificates of deposit is recorded as income when earned.

Grants and Accounts Receivable - Grants and accounts receivable are stated as unpaid balances. Initial and ongoing credit evaluations are performed at management's discretion. Management reviews individual accounts receivable balances on a regular basis. Organizations not making payments in accordance with terms offered or historical practices are determined to be past due. Accounts are written off when management determines that probability of collection is remote. Therefore, no allowance for doubtful accounts was considered necessary at June 30, 2023 and 2022.

Concentration of Credit Risk - The Association's funds contained in its cash and cash equivalent balances at June 30, 2023 and 2022 were held in a total of three different financial institutions which at various times throughout the year were in excess of Federal Deposit Insurance Corporation insurance limits of \$250,000.

During 2023, the Association opened an insured cash sweep account for the Association's operating bank account that fully insures cash balances under the Federal Deposit Insurance Corporation to reduce credit risk on cash.

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment - Property and equipment are stated at cost, while donated items are reported at fair value on the date of contribution, and depreciated over their estimated useful lives using the straight-line method. Routine repairs and maintenance are charged to expense when incurred.

The Association capitalizes all expenditures in excess of \$3,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as support and net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support and net assets without donor restrictions.

The Association reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at June 30, 2023 and 2022.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the 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.

Grant awards that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as grant funds received in advance.

Membership Dues - Membership dues from related parties are paid based on Feeding America Goal Factors issued annually. As of June 30, 2023 and 2022, dues totaled \$245,497 each year, and are paid by each of the twelve Feeding America foodbanks on a quarterly basis.

Deferred Revenue - Deferred revenue of the Association represents amounts received on grant agreements in advance, which have not been earned at the end of the year. As of June 30, 2023 and 2022, deferred revenue for the Association was \$22,163,648 and \$835,409.

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The main expenses that are allocated include salaries and wages and related employee benefits and payroll taxes which are allocated on the basis of estimates of time and effort. Facility related costs, including utilities, security, maintenance, and depreciation are allocated based on management's estimate using factors such as square footage utilization.

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - The Association is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is presented in these financial statements.

Advertising - Advertising costs are expensed as incurred and are reported in the statements of functional expenses. Advertising expense was \$375,696 and \$203,877 for the years 2023 and 2022.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Association's tax return, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Association has taken any material uncertain tax positions, including any position that would place the Association's exempt status in jeopardy, as of June 30, 2023 and 2022.

Leases - In February 2016, the Financial Accounting Standards Board (FASB) issued guidance Accounting Standards Codification [ASC] 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Association adopted the standard effective July 1, 2022, and recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Association elected the available practical expedients to account for their existing operating leases as operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Association recognized on July 1, 2022 a lease liability of \$708,626, which represents the present value of the remaining operating lease payments of \$840,928, discounted using the risk free-borrowing rate of 2.89% and a ROU asset of \$708,626.

The standard had a material impact on the statement of financial position, but did not have a material impact on the statement of activities, nor statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for the operating lease.

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Association leases office space. The Association determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, and current and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the operating leases do not provide an implicit interest rate, the Association uses a risk free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Association's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Association's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Reclassifications - Certain prior year amounts in the financial statement have been reclassified to conform with current year presentation.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through December 6, 2023, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Association monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Association has the following financial assets, less those unavailable for general expenditure within one year:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 31,638,289	\$ 7,401,715
Grants and accounts receivable	<u>2,868,520</u>	<u>2,102,864</u>
Total financial assets	<u>34,506,809</u>	<u>9,504,579</u>
Less those unavailable for general expenditure within one year due to:		
Net assets with donor restrictions	477,686	-
Board designated funds	<u>492,000</u>	<u>492,000</u>
	<u>969,686</u>	<u>492,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 33,537,123</u>	<u>\$ 9,012,579</u>

OHIO ASSOCIATION OF FOODBANKS**NOTES TO FINANCIAL STATEMENTS****NOTE 3 - PROPERTY AND EQUIPMENT**

	<u>2023</u>	<u>2022</u>
Equipment	\$ 15,500	\$ 45,097
Vehicles	<u>25,000</u>	<u>25,000</u>
	40,500	70,097
Less accumulated depreciation	<u>27,583</u>	<u>70,097</u>
	<u>\$ 12,917</u>	<u>\$ -</u>

Depreciation expense for the year 2023 was \$2,583. There was no depreciation expense for the year 2022.

NOTE 4 - GRANTS AND ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Governor's Office c/o ODJFS	\$ 1,502,427	\$ 1,064,796
ODJFS - SNAP Outreach	393,046	454,346
Franklin County JFS - WEP	70,593	63,800
Greater Cleveland Food Bank - Best Buy	-	25,033
Corporation for National and Community Service	116,342	82,836
ODJFS - Core Food Program	-	55,579
Ohio Department of Services Agency - HEAP	3,013	10,652
Local Food Purchase Agreement - LFPA	472,215	-
Department of Health and Human Services	294,263	324,719
Other receivables	<u>16,621</u>	<u>21,103</u>
	<u>\$ 2,868,520</u>	<u>\$ 2,102,864</u>

NOTE 5 - LEASING ACTIVITIES

The Organization leases office space under an operating lease expiring in 2027.

The following summarizes the line items in the statement of financial position which include the amounts for the operating lease as of June 30, 2023:

	<u>2023</u>
Operating Lease	
Operating lease right-of-use asset	<u>\$ 585,847</u>
Current operating lease liabilities	\$ 67,970
Long-term operating lease liabilities	<u>527,008</u>
Total operating lease liabilities	<u>\$ 594,978</u>

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LEASING ACTIVITIES - CONTINUED

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2023:

	<u>2023</u>
Weighted Average Remaining Lease Term	
Operating leases	4.42 years
Weighted Average Discount Rate	
Operating leases	2.89%

The maturities of lease liabilities as of June 30, 2023 are as follows:

	<u>Operating</u>
2024	\$ 67,970
2025	138,310
2026	142,460
2027	146,734
2028	<u>138,323</u>
Total lease payments	633,797
Less interest	<u>(38,819)</u>
Present value of lease liabilities	<u>\$ 594,978</u>

The following provides a breakout of rent expense on the statements of functional expenses for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease expense:		
Operating lease expense	\$ 141,434	\$ 91,912
Short-term lease expense	<u>7,382</u>	<u>-</u>
Total operating lease expense	<u>\$ 148,816</u>	<u>\$ 91,912</u>

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating lease	\$ 132,302
Lease assets obtained in exchange for lease obligations:	
Operating lease	\$ 708,626

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - OHIO FOOD AND AGRICULTURE CLEARANCE PROGRAM, GOVERNOR'S BACKPACK PROGRAM, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF)/AMERICAN RESCUE PLAN ACT (ARPA), AND LOCAL FOOD PURCHASE ASSISTANCE PROGRAM (LFPA) COOPERATIVE AGREEMENT

All Food Programs are included as expenditure line items on the statements of functional expenses and consisted of the following types of expenses for the years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Shelf Stable and Protein OFP		
Commodities for Foodbanks	\$ 11,988,953	\$ 12,311,012
Storage and distribution of commodities	<u>1,473,000</u>	<u>1,473,000</u>
	<u>13,461,953</u>	<u>13,784,012</u>
Agricultural Surplus ACP		
Purchase of commodities for consumption	8,036,527	7,471,920
Storage and distribution of commodities	<u>1,473,000</u>	<u>1,473,000</u>
	<u>9,509,527</u>	<u>8,944,920</u>
TANF/Innovative Backpack Program		
Purchase of food and transportation	<u>2,303,764</u>	<u>2,392,843</u>
American Rescue Plan Act (ARPA)		
Purchase of commodities for consumption:		
ARPA 1	14,955,215	-
ARPA 2	2,997,686	-
Storage and distribution of commodities - ARPA 2	438,686	-
Freight and handling - ARPA 2	<u>52,392</u>	-
	<u>18,443,979</u>	-
Local Food Purchase Assistance Program (LFPA)		
Purchase of commodities for consumption	6,219,437	-
Storage and distribution of commodities	696,693	-
Freight and handling	<u>25,847</u>	-
	<u>6,941,977</u>	-
Coronavirus Relief Fund	<u>-</u>	<u>11,400,024</u>
Other Direct Programs Operating Expenses	<u>1,176,676</u>	<u>1,370,079</u>
Total Food Program	<u>\$ 51,837,876</u>	<u>\$ 37,891,878</u>

OHIO ASSOCIATION OF FOODBANKS

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The net asset with donor restrictions includes assets of the Association related to grants with explicit donor-imposed restrictions that have not been met as to specific purpose, or to later periods of time or after specific dates.

	<u>2023</u>	<u>2022</u>
Programs (Purpose Restricted)	<u>\$ 477,686</u>	<u>\$ -</u>

Net assets were released from donor restriction by incurring expenses satisfying the restricted purposes. Net assets totaling \$235,000 were released from restrictions for the year 2022. There were no net assets released from restriction, that were not contributed during the same period, for the year 2023.

NOTE 8 - RETIREMENT PLAN

The Association maintains a defined contribution pension plan for all full-time employees who have completed at least one year of service. Contributions of \$131,291 and \$119,509 were made for the years 2023 and 2022. Retirement plan contributions consist of safe harbor and employer match contributions, along with a discretionary amount based upon a percentage of annual compensation of eligible employees; discretionary contributions are set by the Board of Trustees according to the availability of funds.

NOTE 9 - LINE OF CREDIT

In February 2023, the Association opened a \$5,000,000 line of credit with a bank bearing interest at the Prime rate (8.25% at June 30, 2023) plus 0.50%. The line of credit expires in January 2024. There was no outstanding balance on this line of credit at June 30, 2023.

NOTE 10 - CONTINGENCY

The grant programs of the Association are subject to potential audits by agents of each individual granting authority. The purpose of such an audit is to ensure compliance with conditions precedent to the granting of funds. Revenues generated by the grant programs may be disallowed in subsequent periods as a result of these audits. However, management believes that the Association has materially complied with all grant agreements as of the years 2023 and 2022.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Board members of the Association serve as directors of non-profit organization's that pay membership dues to the Association and receive federal funds from the Association at June 30, 2023 and 2022. Membership dues paid by these related parties totaled \$245,497 for the years 2023 and 2022. Federal funds passed through to these related parties totaled \$46,641,676 and \$36,287,742.



**INDEPENDENT AUDITORS' 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 Directors
Ohio Association of Foodbanks
Columbus, Ohio

We have audited, 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, the financial statements of the **Ohio Association of Foodbanks** (the "Association"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 the 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 AUDITORS' 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 the Association'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 statement 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 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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbus, Ohio
December 6, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Ohio Association of Foodbanks
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Ohio Association of Foodbanks'** 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 the Association's major federal programs for the year ended June 30, 2023. The Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the **Ohio Association of Foodbanks** 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, 2023.

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 requirement 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the **Ohio Association of Foodbanks** 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 the **Ohio Association of Foodbanks'** 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 the **Ohio Association of Foodbanks'** federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED

Auditors' Responsibility 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 to express an opinion on the **Ohio Association of Foodbanks'** 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 the **Ohio Association of Foodbanks'** 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 the **Ohio Association of Foodbanks'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the **Ohio Association of Foodbanks'** 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 the **Ohio Association of Foodbanks'** 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 AUDITORS' 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 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 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 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 Auditors' 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 have not been 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.



Columbus, Ohio
December 6, 2023

OHIO ASSOCIATION OF FOODBANKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY - PASS-THROUGH PROGRAMS			
Passed through Ohio Department of Job & Family Service			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Various	\$ <u>18,663,322</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - DIRECT PROGRAM			
Centers for Medicare & Medicaid Services			
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332		2,302,816
Cooperative Agreement to Support Connecting Kids to Coverage Healthy KIDS 2022	93.767		<u>348,288</u>
Total U.S. Department of Health and Human Services - Direct Program			<u>2,651,104</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - PASS-THROUGH PROGRAMS			
Passed through Ohio Department of Job & Family Service			
Social Services Block Grant - Core Food Program	93.667	G-2223-17-0382	2,000,000
Temporary Assistance for Needy Families (TANF) - Core Food Program	93.558	G-2223-17-0382	<u>22,050,000</u>
Total Passed-through Ohio Department of Job & Family Services			<u>24,050,000</u>
Passed through Ohio Department Services Agency			
Low-Income Home Energy Assistance	93.568	21-HA-157	<u>75,363</u>
Passed through Governor's Office of Faith - Based & Community Initiatives			
Temporary Assistance for Needy Families (TANF)	93.558	G-2223-21-0535	<u>2,648,370</u>
Passed through Franklin County Department of Job & Family Services			
Social Services Block Grant (Title XX)	93.667	Various	<u>448,454</u>
Total U.S. Department of Health and Human Services - Pass-Through Programs			<u>27,222,187</u>
Total U.S. Department of Health and Human Services			<u>29,873,291</u>

OHIO ASSOCIATION OF FOODBANKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Corporation for National & Community Service Direct Program			
Volunteers in Service to America	94.013		993,088
Americorps Seniors Senior Demonstration Program (FGP) Community Services	94.017		<u>47,510</u>
Total Corporation for National & Community Service			<u>1,040,598</u>
U.S. DEPARTMENT AGRICULTURE PASS-THROUGH PROGRAMS			
Passed through Ohio Department of Job & Family Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Various	1,914,245
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.568	G-2223-17-0792	1,423
Local Food Purchase Agreement	10.182	G-2223-17-1063	<u>7,063,484</u>
Total Passed-through Ohio Department of Job & Family Services			<u>8,979,152</u>
Passed through Franklin County Department of Job & Family Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Various	<u>118,048</u>
Total U.S. Department Agriculture Pass-through Programs			<u>9,097,200</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 58,674,411</u>

OHIO ASSOCIATION OF FOODBANKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

YEAR ENDED JUNE 30, 2023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Ohio Association of Foodbanks, non-profit under programs of the federal government for the year ended June 30, 2023. 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 Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

Note 2 - 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.

Note 3 - Indirect Cost Rate Election

The Association does not take an indirect rate and receives a straight administrative fee to cover both direct and indirect expenses.

Note 4 - Payments to Subrecipients

The Association passes certain federal awards received from the Federal Government to other nonprofits. The Association reports expenditures of Federal awards to subrecipients when paid in cash. The subrecipients are listed in the following table, to which the Association paid \$48,625,398 during fiscal year 2023. These payments were included in the Schedule of Federal Expenditures of Federal Awards under Assistance Listings 93.6667, 93.558, 10.182, 21.027, 93.332, 93.767, and 10.561.

Note 5 - Matching Requirements

Certain Federal programs require the Association to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Association has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO ASSOCIATION OF FOODBANKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

YEAR ENDED JUNE 30, 2023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

<u>Organization</u>	<u>Core Food Title XX 93.667</u>	<u>Core Foodbank TANF 93.558</u>	<u>Storage Distribution TANF 93.558</u>	<u>Capacity Building Grants TANF 93.558</u>	<u>TANF - GOFBCI Summer Meals 93.558</u>	<u>LFPFA 10.182</u>	<u>ARPA 21.027</u>	<u>Navigator 93.332</u>	<u>CKC 93.767</u>	<u>State SNAP 10.561</u>	<u>TOTAL</u>
Akron-Canton Regional Foodbank	\$ 224,500	\$ 2,507,103	\$ 366,823	\$ -	\$ -	\$ 244,175	\$ 2,349,989	\$ -	\$ -	\$ -	\$ 5,692,590
Greater Cleveland Food Bank	292,237	2,880,941	476,727	-	-	496,800	2,965,966	-	-	988,646	8,101,317
The Foodbank	92,161	1,099,611	189,834	30,287	-	376,891	1,226,007	-	-	-	3,014,791
Freestore Foodbank	226,372	2,023,775	334,708	-	100,143	361,113	1,779,972	303,029	-	238,985	5,368,097
Mid-Ohio Foodbank	408,468	3,832,409	632,305	-	-	335,514	3,856,166	168,940	65,085	324,657	9,623,544
Clark, Champaign and Logan	650	354,496	58,520	-	-	233,721	330,703	-	-	48,910	1,027,000
Foodbank of the Mahoning Valley	117,130	1,080,174	155,578	-	-	386,771	827,574	-	-	-	2,567,227
Foodbank of North Central	84,852	723,039	120,609	19,243	-	427,866	766,946	-	-	78,337	2,220,892
Southeast Ohio Foodbank	25,735	807,279	121,323	-	16,900	315,553	807,324	-	-	2,863	2,096,977
Shared Harvest Foodbank	42,317	973,719	165,570	26,415	-	384,542	1,011,221	-	-	41,384	2,645,168
Toledo Northwestern Ohio Food Bank	105,746	962,624	209,817	33,474	-	168,768	724,733	-	-	55,133	2,260,295
West Ohio Food Bank	19,861	715,824	114,186	-	-	417,696	756,210	-	-	-	2,023,777
Toledo Seagate Foodbank	-	-	-	-	-	-	602,482	-	-	-	602,482
Charitable Healthcare Network	-	-	-	-	-	-	-	236,437	24,786	-	261,223
Columbus Early Learning Centers	-	-	-	-	-	-	-	-	8,078	-	8,078
Community Action Committee of Pike County	-	-	-	-	20,340	-	-	77,969	-	-	98,309
Medworks	-	-	-	-	-	-	-	224,049	-	-	224,049
Toledo Lucas County CareNet	-	-	-	-	-	-	-	363,879	-	-	363,879
Universal Health Care Action Network of Ohio Inc.	-	-	-	-	-	-	-	171,419	106,133	-	277,552
Washington-Morgan Community Action Program	-	-	-	-	-	-	-	65,657	-	-	65,657
Adams Brown Counties Economic Opportunities, Inc.	-	-	-	-	24,480	-	-	-	-	-	24,480
Corporation for Ohio Appalachian Development	-	-	-	-	17,500	-	-	-	-	-	17,500
County Neighbor Program, Inc.	-	-	-	-	2,437	-	-	-	-	-	2,437
Meigs Local School District	-	-	-	-	8,430	-	-	-	-	-	8,430
Potter's House Ministries Inc..	-	-	-	-	14,700	-	-	-	-	-	14,700
Ross County Community Action	-	-	-	-	10,700	-	-	-	-	-	10,700
St. Francis Evangelization Center	-	-	-	-	4,247	-	-	-	-	-	4,247
	<u>\$ 1,640,029</u>	<u>\$ 17,960,994</u>	<u>\$ 2,946,000</u>	<u>\$ 109,419</u>	<u>\$ 219,877</u>	<u>\$ 4,149,410</u>	<u>\$ 18,005,293</u>	<u>\$ 1,611,379</u>	<u>\$ 204,082</u>	<u>\$ 1,778,915</u>	<u>\$ 48,625,398</u>

OHIO ASSOCIATION OF FOODBANKS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Association were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of the Association, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs were Assistance Listings 10.182 Local Food Purchase Agreement and 21.027 Coronavirus State and Local Fiscal Recovery Funds.
8. The threshold used for distinguishing between Type A and B programs was \$1,764,268.
9. The Association did qualify as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AND COMPLIANCE AUDITS

No matters are reportable.