

**SOUTH MICHIGAN FOOD BANK**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**For the Years Ended December 31, 2021 and 2020**

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# SEBER TANS, PLC

## CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
South Michigan Food Bank  
Battle Creek, Michigan

#### Opinion

We have audited the accompanying financial statements of South Michigan Food Bank (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 South Michigan Food Bank as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 South Michigan Food Bank 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 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 South Michigan Food Bank's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### 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 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, 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 South Michigan Food Bank'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 South Michigan Food Bank'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.

#### **Supplementary Information**

Our audits were 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 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 May 10, 2022, on our consideration of South Michigan Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 South Michigan Food Bank's internal control over financial reporting and compliance.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan

May 10, 2022

**South Michigan Food Bank**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u> <u>(As Restated)</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 951,989	\$ 3,369,366
Certificates of deposit	110,705	111,110
Accounts receivable	218,651	177,411
Grants receivable	155,698	175,879
Beneficial interest in assets held by community foundations	35,560	38,857
Inventory	1,011,031	1,376,967
Prepaid expenses	53,252	40,190
<b>Total Current Assets</b>	<u>2,536,886</u>	<u>5,289,780</u>
Property and Equipment		
Land and improvements	82,630	82,630
Building and improvements	2,120,391	1,906,657
Equipment, furniture, and fixtures	1,086,804	997,850
Vehicles	963,303	898,909
Construction in progress	34,900	54,613
	<u>4,288,028</u>	<u>3,940,659</u>
Less: Accumulated depreciation	<u>(2,569,686)</u>	<u>(2,383,055)</u>
<b>Net Property and Equipment</b>	<u>1,718,342</u>	<u>1,557,604</u>
Other Assets		
Beneficial interest in assets held by community foundations	109,108	89,572
Investments	3,369,570	1,466,449
<b>Total Other Assets</b>	<u>3,478,678</u>	<u>1,556,021</u>
<b>Total Assets</b>	<u><b>\$ 7,733,906</b></u>	<u><b>\$ 8,403,405</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 89,372	\$ 114,505
Accrued vacation and other payroll liabilities	52,155	42,896
Other accrued expenses	-	6,754
Deferral of paycheck protection program funds	-	218,700
<b>Total Current Liabilities</b>	<u>141,527</u>	<u>382,855</u>
Net Assets		
Net assets without donor restrictions	6,388,200	6,575,829
Net assets with donor restrictions	1,204,179	1,444,721
<b>Total Net Assets</b>	<u>7,592,379</u>	<u>8,020,550</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 7,733,906</b></u>	<u><b>\$ 8,403,405</b></u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**South Michigan Food Bank**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Other Revenue</b>			
Food products received by:			
Governmental grants	\$ 6,588,621	\$ -	\$ 6,588,621
In-kind contributions	10,980,496	-	10,980,496
Other revenues:			
Contributions and grants	629,863	725,294	1,355,157
United Way	126,100	103,595	229,695
Food Bank Council of Michigan	946,682	-	946,682
Program service fees	1,197,616	-	1,197,616
Investment income	94,074	-	94,074
Unrealized gain on investments	221,801	-	221,801
Realized gain on asset disposal	2,000	-	2,000
Change in beneficial interest	24,789	-	24,789
Miscellaneous	233,334	-	233,334
Total Support and Other Revenue	<u>21,045,376</u>	<u>828,889</u>	<u>21,874,265</u>
Net assets released from restrictions	<u>1,069,431</u>	<u>(1,069,431)</u>	<u>-</u>
Total Support, Other Revenue, and Reclassifications	<u>22,114,807</u>	<u>(240,542)</u>	<u>21,874,265</u>
<b>Expenses</b>			
Program services	21,511,416	-	21,511,416
Support services:			
Management and general	510,411	-	510,411
Fundraising	280,609	-	280,609
Total Expenses	<u>22,302,436</u>	<u>-</u>	<u>22,302,436</u>
<b>Change in Net Assets</b>	<b>(187,629)</b>	<b>(240,542)</b>	<b>(428,171)</b>
Net Assets at Beginning of Year (As Restated)	<u>6,575,829</u>	<u>1,444,721</u>	<u>8,020,550</u>
<b>Net Assets at End of Year</b>	<b><u>\$ 6,388,200</u></b>	<b><u>\$ 1,204,179</u></b>	<b><u>\$ 7,592,379</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**South Michigan Food Bank**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2020**

	(As Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Other Revenue</b>			
Food products received by:			
Governmental grants	\$ 9,687,612	\$ -	\$ 9,687,612
In-kind contributions	11,263,424	-	11,263,424
Other revenues:			
Contributions and grants	1,622,045	1,676,461	3,298,506
United Way	160,687	116,575	277,262
Food Bank Council of Michigan	632,199	-	632,199
Program service fees	1,640,355	-	1,640,355
Investment income	38,335	-	38,335
Unrealized gain on investments	193,155	-	193,155
Realized gain on asset disposal	604	-	604
Change in beneficial interest	28,148	-	28,148
Miscellaneous	2,068	-	2,068
Total Support and Other Revenue	<u>25,268,632</u>	<u>1,793,036</u>	<u>27,061,668</u>
Net assets released from restrictions	<u>1,268,958</u>	<u>(1,268,958)</u>	<u>-</u>
Total Support, Other Revenue, and Reclassifications	<u>26,537,590</u>	<u>524,078</u>	<u>27,061,668</u>
<b>Expenses</b>			
Program services	24,362,037	-	24,362,037
Support services:			
Management and general	388,836	-	388,836
Fundraising	466,503	-	466,503
Total Expenses	<u>25,217,376</u>	<u>-</u>	<u>25,217,376</u>
<b>Change in Net Assets</b>	<b>1,320,214</b>	<b>524,078</b>	<b>1,844,292</b>
Net Assets at Beginning of Year	<u>5,255,615</u>	<u>920,643</u>	<u>6,176,258</u>
<b>Net Assets at End of Year</b>	<b><u>\$ 6,575,829</u></b>	<b><u>\$ 1,444,721</u></b>	<b><u>\$ 8,020,550</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**South Michigan Food Bank**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Benefits	\$ 210,588	\$ 50,665	\$ 26,218	\$ 287,471
Communications	10,399	2,506	1,317	14,222
Conferences and meetings	2,629	634	333	3,596
Depreciation	212,926	13,445	7,064	233,435
Dues and subscriptions	30,715	7,404	-	38,119
Food distribution from:				
Direct purchases	1,294,466	-	-	1,294,466
Governmental grants	6,770,971	-	-	6,770,971
In-kind contributions	11,208,707	-	-	11,208,707
Fundraising	-	-	70,977	70,977
Insurance	36,227	8,732	4,588	49,547
Licenses	3,401	820	431	4,652
Maintenance	183,605	9,129	4,796	197,530
Miscellaneous	10,709	2,593	1,363	14,665
Office supplies	7,086	1,708	897	9,691
Outside services	110,668	26,676	14,015	151,359
Payroll taxes	85,486	20,606	10,826	116,918
Postage and shipping	22,121	3,540	1,860	27,521
Professional fees	-	103,238	-	103,238
Program supplies	169,797	-	-	169,797
Salaries	981,775	236,655	124,334	1,342,764
Travel and transportation	91,572	3,584	1,883	97,039
Utilities	67,568	18,476	9,707	95,751
<b>Total Expenses</b>	<b><u>\$ 21,511,416</u></b>	<b><u>\$ 510,411</u></b>	<b><u>\$ 280,609</u></b>	<b><u>\$ 22,302,436</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.



**South Michigan Food Bank**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Benefits	\$ 176,243	\$ 35,992	\$ 24,364	\$ 236,599
Communications	8,064	1,647	1,115	10,826
Conferences and meetings	2,254	460	311	3,025
Depreciation	144,812	11,626	7,870	164,308
Dues and subscriptions	22,274	4,549	-	26,823
Food distribution from:				
Direct purchases	1,137,709	-	-	1,137,709
Governmental grants	9,884,130	-	-	9,884,130
In-kind contributions	11,219,456	-	-	11,219,456
Fundraising	-	-	240,773	240,773
Insurance	27,781	5,674	3,841	37,296
Licenses	55,183	11,270	7,629	74,082
Maintenance	173,556	13,704	9,276	196,536
Miscellaneous	13,899	2,838	1,921	18,658
Office supplies	26,761	5,465	3,699	35,925
Outside services	125,389	25,607	17,334	168,330
Payroll taxes	69,302	14,153	9,580	93,035
Postage and shipping	15,984	4,570	3,093	23,647
Professional fees	-	50,818	-	50,818
Program supplies	207,433	-	-	207,433
Salaries	900,823	183,966	124,529	1,209,318
Travel and transportation	82,916	2,988	2,023	87,927
Utilities	68,068	13,509	9,145	90,722
<b>Total Expenses</b>	<b><u>\$ 24,362,037</u></b>	<b><u>\$ 388,836</u></b>	<b><u>\$ 466,503</u></b>	<b><u>\$ 25,217,376</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**South Michigan Food Bank**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u> <u>(As Restated)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (428,171)	\$ 1,844,292
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
In-kind food revenues and expenses		
Governmental grant revenue	(6,588,621)	(9,687,612)
Distribution of governmental grants	6,770,971	9,884,130
Contribution revenue	(10,980,496)	(11,263,424)
Distribution of contributed food	11,208,707	11,219,456
Depreciation	233,435	164,308
Gain on sale of assets	-	(604)
Unrealized gain on investments	(225,768)	(193,155)
Gain on beneficial interest in assets held by community foundations	(16,239)	(28,148)
Forgiveness of paycheck protection program loan	(218,700)	-
Changes in assets and liabilities which impacted cash and cash equivalents:		
Certificates of deposit	405	-
Accounts receivable	(41,240)	132,296
Grants receivable	20,181	18,871
Inventory	(44,625)	(7,083)
Prepaid expenses	(13,062)	(19,971)
Accounts payable	(25,133)	(3,301)
Accrued vacation and other payroll liabilities	9,259	19,766
Other accrued expenses	(6,754)	6,754
Net Cash and Cash Equivalents (Used In) Provided by Operating Activities	<u>(345,851)</u>	<u>2,086,575</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(394,173)	(791,558)
Proceeds from sale of investments	2,387,756	598,995
Purchase of investments	(4,065,109)	(41,395)
Net Cash and Cash Equivalents Used In Operating Activities	<u>(2,071,526)</u>	<u>(233,958)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from paycheck protection program loan	-	218,700
<b>Net Change in Cash and Cash Equivalents</b>	<b>(2,417,377)</b>	<b>2,071,317</b>
Cash and Cash Equivalents at Beginning of Year	<u>3,369,366</u>	<u>1,298,049</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 951,989</u></b>	<b><u>\$ 3,369,366</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE A – Summary of Significant Accounting Policies**

Organization Purpose

The purpose of South Michigan Food Bank (the “Organization”) is to glean, collect, warehouse and facilitate the distribution of food; to have the right to receive donations for the purpose of adequately conducting and maintaining such facilities; and to purchase, manage, own, lease or rent facilities that may be necessary or convenient for the purpose of operation as a community food bank. The Organization charges a shared maintenance fee for food distribution to other non-profit agencies within south-central Michigan. Shared maintenance fees are based on the operating costs of the food bank and are charged on a per-pound basis.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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:

*Net Assets Without Donor Restrictions* – Net assets available for use in general and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization records donor-restricted cash contributions that are received and expended in the same year as revenue without donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash is defined as cash in checking, savings, and money market accounts, and investments with an initial maturity of less than three months.

The Organization has accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held by the Organization in bank accounts may at times exceed the FDIC coverage limit. The amount in excess of FDIC limits totaled approximately \$450,000 at December 31, 2021.

Accounts and Grants Receivable

Accounts and grants receivable are regularly assessed for collectability on a case-by-case basis. If amounts are determined to be uncollectible, they are charged against operations at that time. The Organization considers all receivables to be fully collectible as of December 31, 2021 and 2020; accordingly, no allowance for uncollectible accounts has been recorded. Additionally, no amounts were written off as bad debt expense during 2021 or 2020.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Beneficial Interests in Assets Held By Community Foundations

The Organization has transferred funds to various community foundations as agency endowment funds. In accordance with generally accepted accounting principles, the Organization reports the total fair value of the funds as a beneficial interest on the statements of financial position and reports changes in value of the funds, including investment income, administrative fees, and unrealized valuation changes, in the statements of activities. See Note C for additional information.

The Organization has granted variance power to the community foundations which gives them the power to use the funds for other purposes in certain select circumstances, such as in the event that the Organization were to cease operations. Additionally, the funds are subject to the various foundations' investing and income distribution policies. The Organization generally does not have the ability to draw on the corpus of the funds.

The Organization has recorded a spendable portion of its beneficial interests as a current asset on the statements of financial position. These amounts represent funds which the community foundations have allocated to the Organization to use as grants upon the Organization's request.

Inventory

Inventory of purchased food is stated at lower of cost or net realizable value, with cost determined on a first-in, first-out (FIFO) basis. Donated food inventory is valued annually at estimated fair value determined on a per-pound basis by utilizing national industry standards.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$5,000. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their useful lives which range from three to fifteen years.

Contributions

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Donated Services and Materials

No amounts have been reflected in the financial statements for donated professional services. The Organization pays for most services requiring specific expertise. However, volunteers donate many hours of services to the operation of the Organization including organizational mailings, packing of groceries, and other miscellaneous tasks.

Where applicable, donated materials are recorded as revenues and expenses at their estimated fair value at the date of the gift.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include compensation and benefits, which are allocated based on their time and effort. Utilities are allocated using the square footage of the warehouse and office.

The following table summarizes the nature of the expense and the Organization's allocation method across programs and supporting functions. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

<u>Percentage of Allocated Salaries</u>	<u>Percentage of Pounds Distributed</u>
- Contracted services	- Program supplies
- Depreciation – office/building	- Freight
- Insurance	- Repair and maintenance - warehouse
- Conferences	- Facility maintenance
- Telephone	- Dues and subscriptions
- Bank fees	- Depreciation – warehouse/equipment
- Office supplies	- Miscellaneous expenses

Affiliated Organizations

The Organization is a certified affiliate of Feeding America, a national network of food banks throughout the country, and is affiliated with the Food Bank Council of Michigan, an organization that supports member food banks through funding and food allocation. The Organization received a substantial amount of its food from Food Bank Council of Michigan (31 percent in 2021 and 39 percent in 2020) and Feeding America (33 percent in 2021 and 30 percent in 2020), at minimal cost which is distributed to other organizations for a service fee.

As an affiliate of Feeding America, the Organization is required to maintain a reserve fund equal to or greater than 25 percent of annual operating expenses. The Organization was in compliance with this requirement for both 2021 and 2020.

Income Taxes

The Internal Revenue Service has determined the Organization to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Estimates

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and report support, revenue and expenses. Actual results could differ from those estimates.

**NOTE B – Liquidity and Availability**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations are due. Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprised the following as of December 31:

	2021	2020
Cash and cash equivalents	\$ 951,989	\$ 3,369,366
Certificates of deposit	110,705	111,110
Accounts receivable	218,651	177,411
Grants receivable	155,698	175,879
Current portion of beneficial interest in assets held at Community Foundations	35,560	38,857
Total available assets	1,472,603	3,872,623
Less: Net assets with donor restrictions	(1,204,179)	(1,444,721)
Total assets available for operations	<u>\$ 268,424</u>	<u>\$ 2,427,902</u>

The Organization receives significant unrestricted contributions and restricted grants each year from donors, which are central to meet the annual cash needs for general expenditures. The Organization manages its liquidity and reserves in order to operate within a prudent range of financial soundness and stability and to fund near term and long-term needs utilizing budgets and monthly monitoring.

Additionally, the Organization has funds held as beneficial interests in community foundations (see Note C). Although the Organization does not intend to spend any funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, the spendable portion of these funds could be made available for operating needs if necessary.

While management realizes there could be unanticipated liquidity needs, they believe that the financial assets in the table above are sufficient to meet operating needs within a minimum of one year of the statement of financial position date.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE C – Beneficial Interest Held at Community Foundations**

Amounts shown as beneficial interest in assets held by the community foundation represent funds placed with the Battle Creek Community Foundation, Kalamazoo Community Foundation, and Jackson Community Foundation, wherein the Organization has specified itself as the beneficiary. Each fund is an organizational endowment maintained for the organizational support for South Michigan Food Bank.

Beneficial interest in assets is comprised of the following as of December 31:

	2021	2020
Funds held at Battle Creek Community Foundation	\$ 46,761	\$ 45,390
Funds held at Kalamazoo Community Foundation	83,838	70,795
Funds held at Jackson Community Foundation	14,070	12,244
Financial assets - at December 31	<u>\$ 144,668</u>	<u>\$ 128,429</u>

The changes in the Organization's beneficial interest in assets held at the community foundation were as follows for the years ended December 31:

	2021	2020
Beneficial Interest - Beginning of Year	\$ 128,429	\$ 100,281
Unrealized gain	18,983	17,967
Current year activity:		
Deposits (withdrawals)	(1,830)	11,072
Administrative fees	(914)	(891)
Beneficial interest - End of Year	<u>\$ 144,668</u>	<u>\$ 128,429</u>

**NOTE D – Other Funds Held by Community Foundations**

The previously mentioned community foundations maintain additional endowment funds for which the Organization has been named as a beneficiary organization. These endowments do not meet the requirements for the Organization to recognize its rights in a beneficial interest; accordingly, the assets are not recorded in the statements of financial position. These endowments were established to act as depositories for contributions received directly from donors intended to benefit the Organization. The fair value of these funds totaled \$183,665 and \$173,013 at December 31, 2021 and 2020, respectively.

**NOTE E – Fair Value Measurements**

Financial accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE E – Fair Value Measurements (Continued)**

Level 1 Inputs – Fair value is determined by using quoted prices for identical assets in active markets.

Level 2 Inputs – Fair value is determined by using other than quoted prices that are observable for the asset (e.g. quoted prices for identical assets in inactive markets, quoted prices for similar assets in active markets, observable inputs other than quoted prices, and inputs derived principally from or corroborated by observable market data by correlation or other means).

Level 3 Inputs – Fair Value is determined by using inputs based on management assumptions that are not directly observable.

The beneficial interest in assets held at the community foundations are not actively traded and significant other observable inputs are not available which are classified as a level 3 as the Organization does not have a direct interest in the underlying assets. Therefore, the inputs considered in determining fair value are related to the value of the Organization’s right to receive future distributions, as described in Note C.

The beneficial interest in assets held at the community foundations have been valued, as a practical expedient, at the fair value of the Organization’s share of the community foundation’s investment pool as of the measurement date. The community foundations value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the community foundations, which includes private placements and other securities for which prices are not readily available, are determined by the management of the community foundations and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The Organization’s beneficial interest totaled \$144,668 and \$128,429 at December 31, 2021 and 2020, respectively. A reconciliation of the activities for these Level 3 financial instruments, including the components of the net return on investments, are included in Note C.

The Organization’s investment accounts include Level 1 securities. The Organization’s Level 1 securities consist of mutual funds and savings bonds. The following table summarizes the fair value of the Organization’s financial instruments by the aforementioned pricing categories at December 31:

	<u>2021</u>	<u>2020</u>
U.S. Series EE Savings Bonds	\$ 2,000	\$ 2,000
Stocks, options & ETFs	1,567,178	-
Mutual funds	<u>1,800,393</u>	<u>1,464,449</u>
Total Investments	<u>\$ 3,369,570</u>	<u>\$ 1,466,449</u>



**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE F – Inventory**

Inventories at December 31 include the following:

	2021	2020
Purchased inventory	\$ 149,506	\$ 102,505
In-kind contributions	325,540	556,306
Received from USDA	535,985	718,156
Balance at December 31	<u>\$ 1,011,031</u>	<u>\$ 1,376,967</u>

**NOTE G – Net Assets with Donor Restrictions**

The detail of net assets with donor restrictions at December 31 was as follows:

	2021	2020
Food purchases	\$ 100,670	\$ 509,261
Time restricted	958,581	879,560
Warehouse improvements and transportation	4,928	-
Consulting	140,000	-
Childhood hunger and backpack program	-	55,900
Total Net Assets With Donor Restrictions	<u>\$ 1,204,179</u>	<u>\$ 1,444,721</u>

**NOTE H – Retirement Plan**

The Organization has a defined contribution 403(b) plan covering full time employees over age 21 who have attained 1,000 hours of service within a twelve-month period. Contributions are made at a percent determined annually by the Board of each employee's gross annual pay. For the years ended December 31, 2021 and 2020, the Organization's contribution rate was 4 percent. The board approved a match of 100 percent for those employees deferring up to 6 percent of their wages. Contributions were approximately \$140,400 and \$95,500 for the years ended December 31, 2021 and 2020, respectively.

**NOTE I – Commitments and Contingencies**

Grants may require the fulfillment of certain conditions set forth in the agreement. Failure to fulfill the conditions may result in the return of the funds to grantor. Although this is a possibility, the Board of Directors considers the possibility remote, since by accepting the grants, it has accommodated the objectives of the Organization to the provisions of the grants.

The Organization has participated in several federally assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement that may arise as the result of these audits would not be material.

**South Michigan Food Bank**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

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**NOTE J – Uncertainties**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders, including Michigan, where the Organization is located. At December 31, 2021, the pandemic continues and management continues to initiate changes and modification of the operations of the programs, events and administrative functions in order to protect the health of staff, residents, and consumers and to mitigate the financial effects of the virus and its resultant economic slowdown. The Organization will continue to evaluate, and if appropriate, adopt other measures in the future as required for the ongoing safety of clients and staff.

**NOTE K – Prior Period Adjustment**

During 2021, the Organization examined the accounting for donor designations to agencies in light of recent changes to generally accepted accounting principles. As a result of this examination, management has determined these transactions qualified as revenue to be recognized in the period received. As such, the Organization restated the accompanying financial statements as of and for the year ended December 31, 2020 as follows:

	<b>As Previously Stated</b>	<b>Adjustments</b>	<b>As Restated</b>
<b>Liabilities and Net Assets</b>			
Donor designations to agencies	\$ 752,985	\$ (752,985)	\$ -
Net assets at beginning of year	5,726,806	449,452	6,176,258
Net assets at end of year	7,267,565	752,985	8,020,550
<b>Support, Revenue, and Reclassifications</b>			
Contributions and grants without donor restrictions	\$ 2,460,712	\$ (838,667)	\$ 1,622,045
Contributions and grants with donor restrictions	534,261	1,142,200	1,676,461
Net assets released from restrictions	430,291	838,667	1,268,958
Change in net assets	1,540,759	303,533	1,844,292

**NOTE L – Subsequent Events**

Management has evaluated subsequent events through May 10, 2022, the date on which the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Directors  
South Michigan Food Bank

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 South Michigan Food Bank (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, 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 May 10, 2022.

## **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan

May 10, 2022

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
South Michigan Food Bank

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited South Michigan Food Bank's (the Organization) 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 Organization's major federal programs for the year ended December 31, 2021. The Organization'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 Organization 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 December 31, 2021.

#### *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 the Organization 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 Organization'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 the Organization's federal programs.

#### *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 the Organization'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 judgement made by a reasonable user of the report on compliance about Organization'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 judgement 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 Organization'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 the Organization'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 the Organization'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.

### **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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses 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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan

May 10, 2022

**South Michigan Food Bank  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Project Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through Food Bank Council of Michigan			
The Emergency Food Assistance Program (Administrative Costs)			
2020-2021 DHHS Supplemental (Food Commodities)	10.178	N/A	192,263
2020-2021 Trade Mitigation Admin Costs	10.178	212MI053Y8105	40,028
Total Emergency Food Assistance Program (Administrative Costs)			<u>232,291</u>
<b>Food Distribution Cluster:</b>			
Passed through Food Bank Council of Michigan			
2020-2021 Emergency Food Assistance Program (Administrative Costs)			
The Emergency Food Assistance Program	10.568	212MI053Y8105	\$ 86,693
CARES Act	10.568	202MI054Y8703	11,875
Families First Coronavirus Response Act	10.568	202MI054Y8703	4,513
Coronavirus Supplemental Funds Program (COSUP)	10.568	N/A	201,693
Total 2020-2021 Emergency Food Assistance Program (Administrative Costs)			<u>304,774</u>
2020-2021 Emergency Food Assistance Program (Food Commodities)			
The Emergency Food Assistance Program	10.569	212MI053Y8105	3,245,441
Coronavirus Supplemental Funds Program (COSUP)	10.569	N/A	186,388
Total 2020-2021 Emergency Food Assistance Program (Food Commodities)			<u>3,431,829</u>
2021-2022 Emergency Food Assistance Program (Food Commodities)			
The Emergency Food Assistance Program	10.569	212MI053Y8105	993,050
Coronavirus Supplemental Funds Program (COSUP)	10.569	N/A	475,601
Total 2021-2022 Emergency Food Assistance Program (Food Commodities)			<u>1,468,651</u>
<b>Total Food Distribution Cluster</b>			<u>5,205,254</u>
<b>Child Nutrition Cluster</b>			
Passed through Food Bank Council of Michigan			
2020-2021 Supplemental Nutrition Assistance Program Outreach	10.561	N/A	17,409
<b>Total Child Nutrition Cluster</b>			<u>17,409</u>
<b>Total U.S. Department of Agriculture</b>			<u>5,454,954</u>
<b>U.S. Department of the Treasury</b>			
Passed through Food Bank Council of Michigan			
2020-2021 COVID-19 - Coronavirus Relief Fund (Administrative Costs)	21.019	N/A	29,276
2020-2021 COVID-19 - Coronavirus Relief Fund (Food Commodities)	21.019	N/A	442,628
<b>Total U.S. Department of the Treasury</b>			<u>471,904</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,926,858</u>

See Independent Auditor's Report and the Notes to the Schedule of Expenditures of Federal Awards.



**South Michigan Food Bank**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

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**NOTE A – Basis of Presentation**

The accompany Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – Food Commodities**

Nonmonetary assistance is reported based on the commodities received and disbursed. The value per pound is established by guidelines published by Feeding America, a nationally recognized food donation charity.

**NOTE D – Pass-Through Entities**

The Organization receives certain federal grants as subawards from non-federal entities. Pass-through entities, when applicable, have been identified in the schedule.

**NOTE E – Subrecipients**

No amounts were provided to subrecipients.

**South Michigan Food Bank  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021**

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**SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 500.516(a)? No

**Major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.568 & 10.569	Food Distribution Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**South Michigan Food Bank  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**South Michigan Food Bank  
Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended December 31, 2021**

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**2020-001 – Significant Deficiency – Segregation of Duties**

Criteria:

A good system of internal controls provides for a proper segregation of duties throughout the year to reduce the risk of human error, deter fraud, and improve the chances of detecting accounting errors.

Condition:

Receipts are processed under single control and the master cash receipts worksheet is kept in an unsecured computer file allowing access by multiple individuals.

Cause and Effect:

There appeared to be lack of segregation of duties relating to receipts. There was also a lack of security relating to the master cash receipts worksheet which could result in unauthorized changes to the file prior to review by a second individual. There were no misstatements noted during the audit relating to these conditions.

Status:

Finding was fully corrected in 2021, deficiency will not repeat.

**2020-002 – Significant Deficiency – Documentation of Non-Cash Disbursements Processes**

Criteria:

Lack of written procedures can create potential for internal controls to not be followed by individuals involved in the process.

Condition:

There are no documented procedures available for non-cash disbursements or distributions.

Cause and Effect:

Testing of inventory performed resulted in no discrepancies and no adjustments for distributions were noted.

Status:

Finding was fully corrected in 2021, deficiency will not repeat.