



THE WHITLOCK CO.

CPAs and Consultants

OZARKS FOOD HARVEST, INC.

**COMBINED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION
with
INDEPENDENT AUDITOR'S REPORTS
YEARS ENDED JUNE 30, 2022 AND 2021**



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ozarks Food Harvest, Inc.
Springfield, Missouri

Opinion

We have audited the combined financial statements of **Ozarks Food Harvest, Inc.** (a not-for-profit organization and related foundation), which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of **Ozarks Food Harvest, Inc.** as of June 30, 2022 and 2021, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of **Ozarks Food Harvest Inc.**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Ozarks Food Harvest, Inc.'s** ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditor's Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 **Ozarks Food Harvest, Inc.'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Ozarks Food Harvest, Inc.'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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). The supplementary Combining Schedule is presented for purpose of additional analysis. These schedules are not a required part of the basic combining 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the combined 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 January 9, 2023 on our consideration of **Ozarks Food Harvest, Inc.**'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 **Ozarks Food Harvest, Inc.**'s internal control over financial reporting and compliance.

THE WHITLOCK CO., LP

Springfield, Missouri
January 9, 2023

OZARKS FOOD HARVEST, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2022	2021
Current assets		
Cash	\$ 424,953	\$ 340,779
Accounts receivable	181,592	208,809
Prepaid rent	973	18,193
Pledges receivable	9,167	63,567
Inventory	1,763,992	2,232,105
Total current assets	2,380,677	2,863,453
Fixed assets		
Property and equipment, net of accumulated depreciation	8,639,293	9,257,161
Investments		
Beneficial interest in Community Foundation of the Ozarks	12,360,863	12,557,116
Investments - Ozarks Food Harvest Foundation	5,060,912	6,000,000
Total investments	17,421,775	18,557,116
Total assets	\$ 28,441,745	\$ 30,677,730

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 168,717	\$ 50,255
Deferred revenue	221,075	-
Agency fees payable	255,785	28,546
Total current liabilities	645,577	78,801
Net assets		
Without donor restriction	27,796,168	30,598,929
With donor restriction	-	-
Total net assets	27,796,168	30,598,929
Total liabilities and net assets	\$ 28,441,745	\$ 30,677,730

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

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

OZARKS FOOD HARVEST, INC.

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended June 30, 2022		
	Without Donor Restriction	With Donor Restriction	Total
Gains and support			
Food contributions	\$ 24,933,272	\$ -	\$ 24,933,272
Individual, corporate and foundation contributions	3,560,889	-	3,560,889
Disaster relief	523,209	-	523,209
Direct mail	1,226,843	-	1,226,843
USDA commodity contributions	7,277,027	-	7,277,027
Purchased product fees - agency	1,765,559	-	1,765,559
Federal and other grants	2,063,717	-	2,063,717
Food assistance program (TEFAP)	632,466	-	632,466
Food assistance program (CACFP)	203,239	-	203,239
Food assistance program (SNAP)	50,313	-	50,313
Food assistance program (CSFP)	351,937	-	351,937
Summer food programs	111,651	-	111,651
Investment income (loss)	(886,913)	-	(886,913)
NAP credits income	215,195	-	215,195
Miscellaneous	10,195	-	10,195
Total revenues	42,038,599	-	42,038,599
Net assets released from restrictions	-	-	-
Total net revenue, gains and support	42,038,599	-	42,038,599
Expenses			
Program services	42,781,901	-	42,781,901
Fundraising	916,508	-	916,508
General and administrative	1,142,951	-	1,142,951
Total expenses	44,841,360	-	44,841,360
Decrease in net assets	(2,802,761)	-	(2,802,761)
Net assets at beginning of year	30,598,929	-	30,598,929
Net assets at end of year	\$ 27,796,168	\$ -	\$ 27,796,168

	Year Ended June 30, 2021		
	Without Donor Restriction	With Donor Restriction	Total
Gains and support			
Food contributions	\$ 22,006,048	\$ -	\$ 22,006,048
Individual, corporate and foundation contributions	12,990,541	-	12,990,541
Disaster relief	1,856,093	-	1,856,093
Direct mail	1,343,582	-	1,343,582
USDA commodity contributions	12,072,394	-	12,072,394
Purchased product fees - agency	1,170,501	-	1,170,501
Federal and other grants	2,121,464	-	2,121,464
Food assistance program (TEFAP)	709,906	-	709,906
Food assistance program (CACFP)	133,309	-	133,309
Food assistance program (SNAP)	42,244	-	42,244
Food assistance program (CSFP)	338,570	-	338,570
Summer food programs	186,678	-	186,678
Investment income	180,658	-	180,658
NAP credits income	244,026	-	244,026
Miscellaneous	19,485	-	19,485
Total revenues	<u>55,415,499</u>	<u>-</u>	<u>55,415,499</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total net revenue, gains and support	<u>55,415,499</u>	<u>-</u>	<u>55,415,499</u>
Expenses			
Program services	43,348,728	-	43,348,728
Fundraising	835,190	-	835,190
General and administrative	1,043,158	-	1,043,158
Total expenses	<u>45,227,076</u>	<u>-</u>	<u>45,227,076</u>
Increase in net assets	10,188,423	-	10,188,423
Net assets at beginning of year	<u>20,410,506</u>	<u>-</u>	<u>20,410,506</u>
Net assets at end of year	<u>\$ 30,598,929</u>	<u>\$ -</u>	<u>\$ 30,598,929</u>

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

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

OZARKS FOOD HARVEST, INC.

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended June 30, 2022			
	Program Services	Fundraising	General and Administrative	Total
Payroll				
Salaries	\$ 2,470,457	\$ 393,841	\$ 716,075	\$ 3,580,373
Employee benefits	489,305	78,005	141,828	709,138
Payroll taxes	157,011	25,031	45,510	227,552
Total payroll and benefits	3,116,773	496,877	903,413	4,517,063
Other expenses				
Food disbursements and waste	35,799,745	-	-	35,799,745
Disaster relief	63,148	-	-	63,148
Agency capacity building grants	1,042,806	-	-	1,042,806
Subrecipients	313,742	-	-	313,742
Special events	8,561	1,976	2,634	13,171
Transportation expenses	476,430	-	-	476,430
Temporary personnel	152,555	-	-	152,555
Office supplies	111	112	22,082	22,305
Supplies	41,808	9,648	12,864	64,320
Advertising	199,750	199,751	-	399,501
Dues and subscriptions	65,078	20,024	15,018	100,120
Printing, promotion and publications	4,971	27,344	17,401	49,716
Professional fees	261,679	60,387	80,516	402,582
Postage	23,922	23,922	-	47,844
Travel	2,154	2,154	-	4,308
Telephone	21,179	1,177	1,177	23,533
Training	3,221	569	-	3,790
Utilities	167,920	9,329	9,329	186,578
Computer expenses	1,770	408	545	2,723
Repairs and maintenance	146,133	8,119	8,119	162,371
Conferences and meetings	-	-	9,405	9,405
NAP expenses	118,872	-	-	118,872
Depreciation	674,991	37,500	37,500	749,991
Miscellaneous	74,582	17,211	22,948	114,741
Total other expenses	39,665,128	419,631	239,538	40,324,297
Total expenses	\$ 42,781,901	\$ 916,508	\$ 1,142,951	\$ 44,841,360

	Year Ended June 30, 2021			
	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll				
Salaries	\$ 2,251,768	\$ 358,977	\$ 652,686	\$ 3,263,431
Employee benefits	396,072	63,142	114,803	574,017
Payroll taxes	160,591	25,601	46,548	232,740
Total payroll and benefits	<u>2,808,431</u>	<u>447,720</u>	<u>814,037</u>	<u>4,070,188</u>
Other expenses				
Food disbursements and waste	36,471,350	-	-	36,471,350
Disaster relief	1,751,382	-	-	1,751,382
Subrecipients	298,813	-	-	298,813
Special events	3,799	877	1,169	5,845
Transportation expenses	306,880	-	-	306,880
Temporary personnel	89,596	-	-	89,596
Office supplies	166	165	32,737	33,068
Supplies	38,179	8,810	11,747	58,736
Advertising	181,934	181,934	-	363,868
Dues and subscriptions	56,885	17,503	13,127	87,515
Printing, promotion and publications	4,664	25,654	16,325	46,643
Professional fees	234,892	54,206	72,274	361,372
Postage	21,562	21,562	-	43,124
Travel	1,856	1,857	-	3,713
Telephone	16,569	920	920	18,409
Training	1,481	261	-	1,742
Utilities	143,735	7,985	7,985	159,705
Computer expenses	2,415	557	743	3,715
Repairs and maintenance	158,914	8,829	8,829	176,572
Conferences and meetings	-	-	597	597
Depreciation	673,085	37,394	37,394	747,873
Miscellaneous	82,140	18,956	25,274	126,370
Total other expenses	<u>40,540,297</u>	<u>387,470</u>	<u>229,121</u>	<u>41,156,888</u>
Total expenses	<u>\$ 43,348,728</u>	<u>\$ 835,190</u>	<u>\$ 1,043,158</u>	<u>\$ 45,227,076</u>

OZARKS FOOD HARVEST, INC.

COMBINED STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (2,802,761)	\$ 10,188,423
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	749,991	747,873
Loss on disposal of asset	253	-
Net realized and unrealized (gains) losses on investments	763,863	(26,986)
(Increase) decrease in:		
Accounts receivable	27,217	89,870
Prepaid rent	17,220	(9,498)
Pledges receivable	54,400	249,628
Inventories	468,113	287,079
Increase (decrease) in:		
Accounts payable and accrued expenses	118,462	(7,651)
Deferred revenue	221,075	-
Agency fees payable	227,239	(93,246)
	(154,928)	11,425,492
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchases of property and equipment	(132,376)	(711,899)
Purchases of investments	(4,726,761)	(17,706,801)
Proceeds from sales of investments	5,098,239	7,215,532
	239,102	(11,203,168)
Net cash used in investing activities		
Increase (decrease) in cash and cash equivalents	84,174	222,324
Cash and cash equivalents at beginning of year	340,779	118,455
Cash and cash equivalents at end of year	\$ 424,953	\$ 340,779

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

1. Summary of significant accounting policies

This summary of significant accounting policies of **Ozarks Food Harvest, Inc.** (the Organization), is presented to assist in understanding the Organization's combined financial statements. The combined financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the combined financial statements.

Nature of the Organization

Ozarks Food Harvest, Inc. was founded in 1983 as a joint project of the Council of Churches of the Ozarks and the Southwest Missouri Office on Aging. Since 1989, the Organization has been an independent, self-funded and governed 501(c)(3) organization.

Ozarks Food Harvest, Inc. operates as a food bank for 28 counties in Southwest Missouri. The Organization collects food and distributes it to a network of approximately 355 member agencies such as shelters, soup kitchens, senior centers, food pantries and daycares. These hunger relief organizations serve poverty-stricken children, working poor families and seniors. In addition to food distribution, the Organization offers direct relief through its Kids Café (after school feeding program), Weekend Backpack program, and Mobile Food Pantry programs.

The Organization receives food donations from local and regional producers, growers, distributors and retailers. National food donations also come via Feeding America, The Nation's Food Bank Network, and through federal government subsidies. Donated food is inspected, sorted, labeled and stored at the warehouse for repacking and distribution. The Organization delivers directly to member agencies and prepares orders for agencies to pick up.

Ozarks Food Harvest Foundation (the Foundation)

During the fiscal year ended June 30, 2021, the Organization established the **Ozarks Food Harvest Foundation** (the Foundation). The purpose of the Foundation is to provide for the ongoing support of the Organization. The Foundation's board is responsible for managing the Foundation and determining amount of grants to be awarded.

Principles of combination

The Organization, in accordance with the provisions of *FASB Accounting Standards Codification Topic 958-810*, includes the Foundation in their combined financial statements which they have economic interest arising from a contractual relationship. All material inter-organization transactions have been eliminated.

Basis of accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Basis of presentation

The Organization prepares its combined financial statements in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its combined financial position and activities according to two classes of net assets: with donor restriction and without donor restrictions.

Cash and cash equivalents

The Organization considers all liquid investments available for current use with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at market value. Assets at Community Foundation of the Ozarks (CFO) reside in an agency fund and participate in a diversified investment pool using the market value unit method to determine the number of shares issued. Realized gains and losses from the diversified investment pool are allocated based on each participating fund's pro-rata share. Funds held at Ozarks Food Harvest Foundation are invested separately and are monitored by the Organization's board of directors, the Foundation's board of directors and executive staff.

Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The carrying amount of pledges receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that may not be collected. Management reviews all pledge balances that are considered delinquent and, based upon donor history with the Organization, estimates the portion, if any, of the balance that may not be collected.

Inventory

Inventories consist of donated food from the public, government commodities, and purchased product. Donated product is valued per pound based on Feeding America National Food Bank's stated five-year average, and purchased product is valued at average cost. Nonmonetary assistance such as USDA food commodities are recorded at the value determined by the Missouri Department of Social Services.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Property and depreciation

Property and equipment are stated at cost. It is the Organization's policy to capitalize property and equipment with a value of \$250 or more with a life expectancy longer than three years. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Depreciation is computed by applying the following methods and estimated lives:

<u>Category</u>	<u>Estimated Life</u>	<u>Method</u>
Buildings and improvements	39 years	Straight-line
Leasehold improvements	5-15 years	Straight-line
Vehicles	5-7 years	Straight-line
Furniture and equipment	5-15 years	Straight-line
Computer equipment	3-7 years	Straight-line

The costs of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for gains on assets traded where no cash was received. Expenditures for maintenance and repairs are charged to income as incurred.

Deferred revenue

Deferred revenue represents the excess of advances from granting agencies under contracts for services over the related expenditures.

Revenue recognition

The Organization derives revenue from various forms of donations including in-kind food donations, other in-kind donations, and contributions. In addition, the Organization also receives grant money under contracts with no financial exchange. These sources of revenue fall under *FASB Accounting Standards Codification Topic 958-605*.

The Organization recognizes revenue from *FASB Accounting Standards Codification 606*, when one of the two following criteria is met. (1) There is an exchange transaction in which a provider is receiving commensurate value in return for the resources transferred. (2) A conditional contribution is given, and the agreement includes both a barrier that must be overcome before the Organization is entitled to the assets transferred and a right of return of assets is transferred or a right of release of a promisor's obligation to transfer assets. See Note 2 for additional disclosure.

Funding and support

Funding for the Organization comes in the form of contracts with city, state, and federal agencies, and from private sources, such as individuals, foundations, and corporations.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

The Kids Café is funded through the USDA Child and Adult Care Food Programs. USDA's Food and Nutrition Service administers CACFP through grants to States. The Organization submits monthly claim forms to the State to receive reimbursements on a per-meal served basis.

Federal and other grants

Revenue from grant income is to be spent for specific purposes. Many of these grants are subject to annual budget negotiations and availability of funds. Revenue from grants that are nonreciprocal are treated like contributions. If the grant is conditional, revenue is recognized when the allowable expenditures under such agreement are incurred. Consequently, revenues for these transactions are recognized as the expenditures are incurred. Amounts received in advance of services performed are recognized as advances on conditional grants and are recognized as revenues in future periods as services are performed.

Contributed goods, services, facilities, and other nonfinancial gifts

During the years ended June 30, 2022 and 2021, the value of contributed goods and services meeting the requirements for recognition in the combined financial statements was material and has been recorded at fair market value. Contributed goods and services are recognized if the donation creates or enhances a nonfinancial asset or requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The value of contributed goods and services as of June 30, 2022 and 2021 was \$29,161,753 and \$26,670,758, respectively and has been properly used to support program services.

Contributions and unconditional promises to give

Contributions received are recorded as without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the fiscal year which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restriction net assets depending on the nature of the restrictions. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

Functional allocation of expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program are allocated directly according to their natural expense classification. Various statistical bases allocate other expenses that are common to several functions.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Advertising

Advertising costs are expensed as incurred. Advertising costs were \$399,501 and \$363,868 for the year ended June 30, 2022 and 2021, respectively.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501c(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to the Internal Revenue Service are 2019 through 2022 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal years ended June 30, 2022 and 2021. Interest and penalties, if any, related to annual Form 990 or unrelated business income tax filings are reported within general and administrative expenses in the statement of activities.

The Organization has adopted the Financial Accounting Standards Board's prescribed recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization has taken the position of being exempt from income taxes. The Organization believes their estimates are appropriate based on current facts and circumstances.

Concentrations of risk

The Organization maintains its cash balances with financial institutions located in the greater Springfield, Missouri metropolitan area. These balances are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to \$250,000 for interest and non-interest-bearing accounts. At times such investments may be in excess of the FDIC insurance limit.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform with the current year's presentation. Such reclassification had no effect on the change in net assets.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Adoption of new accounting standard

On July 1, 2020, due to ASU 2014-09, *Revenue from Contracts with Customers*, the Organization adopted the new accounting standard and all the related amendments to all contracts using the modified retrospective method. The Organization reorganized the cumulative effect of initially applying the new revenue standard which required no adjustment to the opening balance of net assets. The Organization expects the impact of the adoption of the new standard to be immaterial to its net assets on an ongoing basis.

On July 1, 2021, due to ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, the Organization adopted the new accounting standard for presentation using the retrospective method. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as separate line items in the statement of activities, apart from contributions of cash or other financial assets. The adoption of the new standard will have no change to its net assets on an ongoing basis. See Note 2 for additional disclosure.

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires recognition of the assets and liabilities that arise from leases. The new standard is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

2. Revenue from contracts with customers

In accordance with *FASB Accounting Standards Codification 606*, depending on the characteristics of the funds received, the Organization will either recognize the income immediately (point in time) or over a period of time. The only source of revenue that constitutes a contract are fees applied to agency accounts. These fees are recorded at the point-in-time of when an order is placed. As of June 30, 2022 and 2021 these fees amounted to \$1,765,559 and \$1,170,501, respectively.

For the years ended June 30, nonfinancial contributions recognized within the statement of activities included:

	<u>2022</u>	<u>2021</u>
Food contributions	\$ 24,933,272	\$ 22,006,048
USDA commodity contributions	<u>7,277,027</u>	<u>12,072,394</u>
Total nonfinancial contributions	<u>\$ 32,210,299</u>	<u>\$ 34,078,442</u>

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

3. Investments

Beneficial interest in Community Foundation of the Ozarks

Investments held at Community Foundation of the Ozarks consist of the following:

	June 30, 2022			
	Amortized Cost	Net Unrealized		Estimated Fair Value
		Gains	Losses	
Legacy Endowment Fund	\$ 506,340	\$ -	\$ 67,922	\$ 438,418
TANF Fund	4,024,999	-	-	4,024,999
Capital Campaign Fund	1,263,377	-	-	1,263,377
General Operating Fund	6,634,069	-	-	6,634,069
	\$ 12,428,785	\$ -	\$ 67,922	\$ 12,360,863
	June 30, 2021			
	Amortized Cost	Net Unrealized		Estimated Fair Value
		Gains	Losses	
Legacy Endowment Fund	\$ 469,929	\$ 26,876	\$ -	\$ 496,805
TANF Fund	3,805,354	-	-	3,805,354
Capital Campaign Fund	1,225,982	-	-	1,225,982
General Operating Fund	7,028,865	110	-	7,028,975
	\$ 12,530,130	\$ 26,986	\$ -	\$ 12,557,116

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Ozarks Food Harvest Foundation

The balance of investments held by Ozarks Food Harvest Foundation consist of the following as of June 30:

	2022	2021
Money Market accounts	\$ 244,867	\$ 6,000,000
U.S. equity	2,918,377	-
Foreign equity	403,551	-
U.S. fixed income	974,050	-
Real estate and other	520,067	-
 Total investments	 \$ 5,060,912	 \$ 6,000,000

Total investment income on the statement of activities is comprised of the following:

	2022	2021
Investment income, including interest - CFO	\$ 94,694	\$ 153,672
Investment income, including interest - OFH Foundation	(217,744)	-
Net unrealized gains (losses) - CFO	(67,922)	26,986
Net unrealized gains (losses) - OFH Foundation	(695,941)	-
Total investment income (loss)	\$ (886,913)	\$ 180,658

4. Accounts receivable

Accounts receivable consist of amounts due from the U.S. Department of Agriculture for food service program reimbursements for expenses during the year ended June 30, 2022 and 2021. Due to the nature of this receivable, no allowance for doubtful accounts was established. Accounts receivable as of June 30, 2022 and 2021 was \$181,592 and \$208,809, respectively, for food service program reimbursements.

5. Pledges receivable

Pledges receivable consist of the following unconditional promises to give:

	2022	2021
Gross unconditional promises to give	\$ 9,167	\$ 63,567
Unamortized discount	-	-
Net unconditional promises to give	\$ 9,167	\$ 63,567

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

The Organization uses the average incremental borrowing rate of 0.066% based on analysis of historical data to calculate the unamortized discount on multi-year pledges. The balances listed for 2022 and 2021 were due in less than one year.

6. Property and equipment

Property and equipment consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 2,183,510	\$ 2,174,405
Vehicles	2,886,410	2,856,619
Building	8,773,183	8,774,048
Land	723,425	723,425
Land improvements	<u>19,424</u>	<u>19,424</u>
	14,585,952	14,547,921
Less accumulated depreciation	<u>(5,946,659)</u>	<u>(5,290,760)</u>
	<u>\$ 8,639,293</u>	<u>\$ 9,257,161</u>

Depreciation expense totaled \$749,991 and \$747,873 for the years ended June 30, 2022 and 2021, respectively.

7. Fair value of financial instruments

The Organization has adopted ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques used to measure fair value into three levels, with Level 1 being the highest priority.

Level 1 inputs: Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 inputs: Level 2 inputs are from other than market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs: Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Fair values of assets measured on a recurring basis for funds held at Community Foundation of the Ozarks are as follows:

	June 30, 2022			Carrying Amount
	Fair Value			
	Level 1	Level 2	Level 3	
Legacy Endowment Fund	\$ -	\$ 438,418	\$ -	\$ 438,418
TANF Fund	-	4,024,999	-	4,024,999
Capital Campaign Fund	-	1,263,377	-	1,263,377
General Operating Fund	-	6,634,069	-	6,634,069
	\$ -	\$ 12,360,863	\$ -	\$ 12,360,863

	June 30, 2021			Carrying Amount
	Fair Value			
	Level 1	Level 2	Level 3	
Legacy Endowment Fund	\$ -	\$ 496,805	\$ -	\$ 496,805
TANF Fund	-	3,805,354	-	3,805,354
Capital Campaign Fund	-	1,225,982	-	1,225,982
General Operating Fund	-	7,028,975	-	7,028,975
	\$ -	\$ 12,557,116	\$ -	\$ 12,557,116

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Fair values of assets measured on a recurring basis for funds held by Ozarks Food Harvest Foundation are as follows:

	June 30, 2022			Carrying Amount
	Fair Value			
	Level 1	Level 2	Level 3	
Money Market accounts	\$ 244,867	\$ -	\$ -	\$ 244,867
U.S. equity	2,918,377	-	-	2,918,377
Foreign equity	403,551	-	-	403,551
U.S. fixed income	974,050	-	-	974,050
Real estate and other	-	-	520,067	520,067
	<u>\$ 4,540,845</u>	<u>\$ -</u>	<u>\$ 520,067</u>	<u>\$ 5,060,912</u>

	June 30, 2021			Carrying Amount
	Fair Value			
	Level 1	Level 2	Level 3	
Money Market accounts	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
U.S. equity	-	-	-	-
Foreign equity	-	-	-	-
U.S. fixed income	-	-	-	-
Real estate and other	-	-	-	-
	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000,000</u>

The following is a reconciliation of the opening and closing balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended June 30, 2022:

	Level 3
Opening balance	\$ -
Transfers into and out of Level 3	-
Gains or losses included in change of net assets	2,917
Purchases, issues, sales, or settlements	<u>517,151</u>
Closing balance	<u>\$ 520,067</u>

OZARKS FOOD HARVEST, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

8. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprising of the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 424,953	\$ 340,779
Accounts receivable	181,592	208,809
Pledges receivable	9,167	63,567
Beneficial interest in CFO	12,360,863	12,557,116
Investments - Ozarks Food Harvest Foundation	5,060,912	6,000,000
	<u>18,037,487</u>	<u>19,170,271</u>
Less those unavailable for general expenditure:		
Accounts payable and accrued expenses	168,717	50,255
Deferred revenue	221,075	-
Agency fees payable	255,785	28,546
	<u>645,577</u>	<u>78,801</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 17,391,910</u>	<u>\$ 19,091,470</u>

9. Retirement plan

In 2008, the Organization adopted a 403(b) Retirement Plan in accordance with the Internal Revenue Code. All employees meeting eligibility requirements that choose to participate receive a matching contribution from the Organization up to 3% of the employees' gross earnings. The Organization contributed \$66,011 and \$69,069 for the years ended June 30, 2022 and 2021, respectively.

10. Concentrations of revenue

The Organization received \$5,983,672 of donated food from Wal-Mart which represents 24% of the total food contributions received for the year ended June 30, 2022. During the prior year, the Organization received \$6,047,150 of donated food from Wal-Mart which represented 27% of total food contributions.

11. Subsequent events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 9, 2023, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

OZARKS FOOD HARVEST, INC. AND FOUNDATION
COMBINING STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022

ASSETS

	<u>Ozarks Food Harvest, Inc.</u>	<u>Ozarks Food Harvest Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets				
Cash	\$ 424,953	\$ -	\$ -	\$ 424,953
Accounts receivable	181,592	-	-	181,592
Prepaid rent	973	-	-	973
Pledges receivable	9,167	-	-	9,167
Inventory	<u>1,763,992</u>	<u>-</u>	<u>-</u>	<u>1,763,992</u>
Total current assets	<u>2,380,677</u>	<u>-</u>	<u>-</u>	<u>2,380,677</u>
Fixed assets				
Property and equipment, net of acc. depr.	<u>8,639,293</u>	<u>-</u>	<u>-</u>	<u>8,639,293</u>
Investments				
Beneficial interest in CFO	12,360,863	-	-	12,360,863
Investments - Ozarks Food Harvest Foundation	<u>-</u>	<u>5,060,912</u>	<u>-</u>	<u>5,060,912</u>
	<u>12,360,863</u>	<u>5,060,912</u>	<u>-</u>	<u>17,421,775</u>
Total assets	<u>\$ 23,380,833</u>	<u>\$ 5,060,912</u>	<u>\$ -</u>	<u>\$ 28,441,745</u>

LIABILITIES AND NET ASSETS

Current liabilities				
Accounts payable and accrued expenses	\$ 168,717	\$ -	\$ -	\$ 168,717
Deferred revenue	221,075	-	-	221,075
Agency fees payable	<u>255,785</u>	<u>-</u>	<u>-</u>	<u>255,785</u>
Total current liabilities	<u>645,577</u>	<u>-</u>	<u>-</u>	<u>645,577</u>
Net assets				
Without donor restriction	<u>22,735,256</u>	<u>5,060,912</u>	<u>-</u>	<u>27,796,168</u>
Total net assets	<u>22,735,256</u>	<u>5,060,912</u>	<u>-</u>	<u>27,796,168</u>
Total liabilities and net assets	<u>\$ 23,380,833</u>	<u>\$ 5,060,912</u>	<u>\$ -</u>	<u>\$ 28,441,745</u>

See Independent Auditor's Report

OZARKS FOOD HARVEST, INC. AND FOUNDATION

COMBINING STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Ozarks Food Harvest, Inc.	Ozarks Food Harvest Foundation	Eliminations	Consolidated
Gains and support				
Food contributions	\$ 24,933,272	\$ -	\$ -	\$ 24,933,272
Individual, corporate and foundation contributions	3,560,889	-	-	3,560,889
Disaster relief	523,209	-	-	523,209
Direct mail	1,226,843	-	-	1,226,843
USDA commodity contributions	7,277,027	-	-	7,277,027
Purchased product fees - agency	1,765,559	-	-	1,765,559
Federal and other grants	2,063,717	-	-	2,063,717
Food assistance program (TEFAP)	632,466	-	-	632,466
Food assistance program (CACFP)	203,239	-	-	203,239
Food assistance program (SNAP)	50,313	-	-	50,313
Food assistance program (CSFP)	351,937	-	-	351,937
Summer food programs	111,651	-	-	111,651
Investment income (loss)	26,772	(913,685)	-	(886,913)
NAP credits income	215,195	-	-	215,195
Miscellaneous	10,195	-	-	10,195
Total revenues	<u>42,952,284</u>	<u>(913,685)</u>	<u>-</u>	<u>42,038,599</u>
Expenses				
Program services	42,781,901	-	-	42,781,901
Fundraising	916,508	-	-	916,508
General and administrative	1,117,548	25,403	-	1,142,951
Total expenses	<u>44,815,957</u>	<u>25,403</u>	<u>-</u>	<u>44,841,360</u>
Decrease in net assets	<u>\$ (1,863,673)</u>	<u>\$ (939,088)</u>	<u>\$ -</u>	<u>\$ (2,802,761)</u>

See Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Board of Directors
Ozarks Food Harvest, Inc.
Springfield, Missouri

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of **Ozarks Food Harvest, Inc.** (a non-profit organization and related foundation), which are comprised of the combined statement of financial position as of June 30, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements and have issued our report thereon dated January 9, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered **Ozarks Food Harvest, Inc.**'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Ozarks Food Harvest, Inc.**'s internal control. Accordingly, we do not express an opinion on the effectiveness of **Ozarks Food Harvest, Inc.**'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Ozarks Food Harvest, Inc.**'s combined financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "THE WHITLOCK CO, LLP". The signature is written in a cursive, slightly slanted style.

Springfield, Missouri
January 9, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

Board of Directors
Ozarks Food Harvest, Inc.
Springfield, Missouri

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Ozarks Food Harvest, Inc.** (a non-profit organization and related foundation) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2022. **Ozarks Food Harvest, Inc.**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of **Ozarks Food Harvest, Inc.**'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program have occurred. A compliance audit includes examining, on a test basis, evidence about **Ozarks Food Harvest, Inc.**'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Ozarks Food Harvest, Inc.**'s compliance.

Opinion on Each Major Federal Program

In our opinion, **Ozarks Food Harvest, Inc.** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of **Ozarks Food Harvest, Inc.** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Ozarks Food Harvest, Inc.**'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Ozarks Food Harvest, Inc.**'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of control 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "THE WHITLOCK CO., LP". The signature is written in a cursive, slightly stylized font.

Springfield, Missouri
January 9, 2023

OZARKS FOOD HARVEST, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>Department of Agriculture</u>				
<i>Passed through program from:</i>				
<i>Missouri Department of Health and Senior Services</i>				
Child and Adult Care Food Program	10.558	ERS46111183	\$ 183,461	\$ -
Summer Food Program	10.559	ERS0461183S	111,316	-
Food Distribution Cluster				
Commodity Supplemental Food Program (Food Commodities)	10.565	CS170294003	1,125,541	1,125,541
Commodity Supplemental Food Program (Administrative Costs)	10.565	CS170294003	361,759	-
<i>Missouri Department of Social Services</i>				
Emergency Food Assistance Program (Food Commodities)	10.569	ER113170003	6,060,872	6,060,872
Emergency Food Assistance Program (Build Back Better)	10.569	ER113170003	223,170	-
Emergency Food Assistance Program (Administrative Costs)	10.568	ER113170003	408,407	-
Total Food Distribution Cluster			<u>8,179,749</u>	<u>7,186,413</u>
 Total Department of Agriculture			8,474,526	7,186,413
<u>Department of Health and Human Services</u>				
<i>Passed through program from:</i>				
<i>Missouri Department of Social Services</i>				
Temporary Assistance for Needy Families (Administrative Costs)	93.558	ER11319FB03	<u>1,651,867</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>				
<i>Passed through program from:</i>				
<i>City of Springfield, Missouri</i>				
Community Development Block Grant	14.218	N/A	<u>20,011</u>	<u>-</u>
 Total Expenditures of Federal Awards			<u><u>\$ 10,146,404</u></u>	<u><u>\$ 7,186,413</u></u>

OZARKS FOOD HARVEST, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

1. Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Ozarks Food Harvest, Inc.** (the Organization) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (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 operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows for **Ozarks Food Harvest, Inc.**

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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis

Ozarks Food Harvest, Inc. has elected to use the 10% de minimis cost rate.

4. Food commodities

Nonmonetary assistance is reported in the schedule at the value determined by Feeding America National Food Bank Network.

5. Related parties

There were no related party transactions significant for disclosure during the scope of this audit.

6. Subsequent events

In preparing the schedule of expenditures of federal awards, **Ozarks Food Harvest, Inc.** has evaluated events and transactions for potential recognition or disclosure through January 9, 2023, the date the schedule was available to be issued.

OZARKS FOOD HARVEST, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified not considered to be material weakness(es) _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified not considered to be material weakness(es) _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.565 & 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? X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no matters which are required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no matters which are required to be reported.

OZARKS FOOD HARVEST, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

There are no prior year audit findings to report.