

Fighting Hunger, Feeding Hope

FOOD BANK

Community **FOOD BANK** of Eastern Oklahoma



COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2019 and 2018

WITH

INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Food Bank of Eastern Oklahoma, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Community Food Bank of Eastern Oklahoma, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Food Bank of Eastern Oklahoma, Inc., as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, the Organization adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic 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 auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of Community Food Bank of Eastern Oklahoma, 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 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 Community Food Bank of Eastern Oklahoma, Inc.'s internal control over financial reporting and compliance.



Tulsa, Oklahoma
November 19, 2019

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,286,776	\$ 1,478,813
Accounts receivable:		
Grants receivable	547,373	93,226
Pledges receivable	1,774,580	63,818
Other	92,911	92,637
Inventory	3,047,652	3,244,828
Total current assets	7,749,292	4,973,322
Noncurrent assets:		
Long-term pledges receivable, net	3,899,139	-
Investments	3,041,591	3,160,058
Property and equipment, net	8,819,595	9,060,890
Beneficial interest in assets held by community foundation	972,319	957,239
Total noncurrent assets	16,732,644	13,178,187
Total assets	\$ 24,481,936	\$ 18,151,509
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 260,950	\$ 257,498
Accrued expenses	276,276	260,539
Total liabilities	537,226	518,037
Net assets:		
Without donor restrictions:		
Undesignated	4,697,273	4,175,040
Board designated endowment	911,231	896,151
Invested in property and equipment, net	8,819,595	9,060,890
Total net assets without donor restrictions	14,428,099	14,132,081
With donor restrictions	9,516,611	3,501,391
Total net assets	23,944,710	17,633,472
Total liabilities and net assets	\$ 24,481,936	\$ 18,151,509

See notes to financial statements.

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

STATEMENTS OF ACTIVITIES

Years ended June 30, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Revenues, gains, and other support:		
Contributions - donated product	\$ 38,277,059	\$ 40,289,205
Contributions - USDA commodities	5,351,845	2,553,925
Shared expense revenue	466,928	427,718
Contributions - cash and pledges	5,845,692	6,047,153
Contributions - noncash	67,971	180,140
Purchased product and staple food sales	795,854	1,143,739
Commodities income	1,280,907	605,667
Investment income, net	273,230	213,624
Other income	141,645	86,377
Funds released from restriction	463,046	826,662
	<hr/>	<hr/>
Total unrestricted revenues, gains, and other support	52,964,177	52,374,210
Expenses:		
Program services:		
Value of inventory distributed, including shrinkage and spoilage	44,920,975	46,223,165
Other program services	5,995,742	5,717,541
	<hr/>	<hr/>
Total program services	50,916,717	51,940,706
Supporting services:		
Management and general	564,169	512,375
Fundraising	1,187,273	1,213,458
	<hr/>	<hr/>
Total expenses	52,668,159	53,666,539
	<hr/>	<hr/>
Increase (decrease) in net assets without donor restrictions	296,018	(1,292,329)
Changes in Net Assets With Donor Restrictions		
Contributions - cash and pledges	6,412,477	11,197
Investment income, net	65,789	46,090
Funds released from restriction	(463,046)	(826,662)
	<hr/>	<hr/>
Increase (decrease) in net assets with donor restrictions	6,015,220	(769,375)
	<hr/>	<hr/>
Change in net assets	6,311,238	(2,061,704)
Net assets, beginning of year	17,633,472	19,695,176
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Net assets, end of year	\$ 23,944,710	\$ 17,633,472
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COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2019

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Value of inventory distributed:				
Distributed - donated inventory	\$ 38,917,834	\$ -	\$ -	\$ 38,917,834
Distributed - USDA inventory	4,858,991	-	-	4,858,991
Purchased food	1,144,150	-	-	1,144,150
Total value of inventory distributed	44,920,975	-	-	44,920,975
Operating activities:				
Salaries and related expenses:				
Salaries and contract labor	2,454,984	322,073	509,401	3,286,458
Payroll taxes	190,382	24,977	39,504	254,863
Employee benefits	372,414	48,858	77,275	498,547
Employee travel	25,470	3,341	5,285	34,096
Employee incentives	23,542	3,089	4,885	31,516
Total salaries and related expenses	3,066,792	402,338	636,350	4,105,480
Food 4 Kids	651,652	-	-	651,652
Freight	578,775	-	-	578,775
Special events, services and fees	-	-	465,291	465,291
Insurance	160,220	12,003	13,259	185,482
Facilities, maintenance and supplies	166,047	7,215	3,962	177,224
Utilities	163,994	5,542	3,636	173,172
Computer maintenance and supplies	100,572	19,341	21,275	141,188
Culinary center	131,271	-	-	131,271
Vehicle operations	116,799	1,186	593	118,578
Maintenance and repair	76,809	780	390	77,979
Accounting	-	52,040	-	52,040
Warehouse supplies	31,057	-	-	31,057
Outside labor	30,626	-	-	30,626
Telephone	14,894	2,864	3,151	20,909
Postage	12,126	1,732	3,465	17,323
State advocacy/public policy	16,524	-	-	16,524
Office supplies	10,729	1,408	2,226	14,363
Food raising	10,041	-	-	10,041
Other	106,336	38,090	15,691	160,117
Total operating activities	5,445,264	544,539	1,169,289	7,159,092
Depreciation expense	550,478	19,630	17,984	588,092
Total expenses	\$ 50,916,717	\$ 564,169	\$ 1,187,273	\$ 52,668,159

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Value of inventory distributed:				
Distributed - donated inventory	\$ 42,153,379	\$ -	\$ -	\$ 42,153,379
Distributed - USDA inventory	2,672,716	-	-	2,672,716
Purchased food	1,397,070	-	-	1,397,070
Total value of inventory distributed	46,223,165	-	-	46,223,165
Operating activities:				
Salaries and related expenses:				
Salaries and contract labor	2,342,680	258,944	444,774	3,046,398
Payroll taxes	181,968	20,114	34,548	236,630
Employee benefits	349,861	38,671	66,423	454,955
Employee travel	31,470	3,478	5,975	40,923
Employee incentives	17,348	1,917	3,293	22,558
Total salaries and related expenses	2,923,327	323,124	555,013	3,801,464
Special events, services and fees	-	-	531,441	531,441
Freight	513,734	-	-	513,734
Food 4 Kids	510,560	-	-	510,560
Facilities, maintenance and supplies	218,212	12,349	5,157	235,718
Insurance	170,697	14,146	17,929	202,772
Utilities	190,285	6,430	4,220	200,935
Food raising	119,850	-	-	119,850
Vehicle operations	105,047	1,066	534	106,647
Computer maintenance and supplies	77,121	11,486	14,768	103,375
Culinary center	100,391	-	-	100,391
Maintenance and repair	90,444	918	460	91,822
Warehouse supplies	50,958	-	-	50,958
Outside labor	40,216	-	-	40,216
Accounting	-	34,028	-	34,028
Postage	14,950	2,136	4,271	21,357
Telephone	14,213	2,117	2,722	19,052
Office supplies	9,884	1,472	1,893	13,249
State advocacy/public policy	12,846	-	-	12,846
Other	137,529	64,040	10,645	212,214
Total operating activities	5,300,264	473,312	1,149,053	6,922,629
Depreciation expense	417,277	39,063	64,405	520,745
Total expenses	\$ 51,940,706	\$ 512,375	\$ 1,213,458	\$ 53,666,539

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

STATEMENTS OF CASH FLOWS

Years ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	\$ 6,311,238	\$ (2,061,704)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	588,092	520,745
Net realized and unrealized gain on investments	(242,648)	(186,695)
Value of contributed inventory	(43,628,904)	(42,843,130)
Value of inventory distributed, including shrinkage and spoilage	44,920,975	46,223,165
Contributions received for long-term purpose	(6,250,980)	(526,601)
Changes in operating assets and liabilities:		
Grants receivable	(454,147)	65,397
Pledges receivable	134,059	5,203
Other accounts receivable	(274)	34,927
Inventory	(1,094,895)	(1,611,846)
Accounts payable	3,452	62,947
Accrued expenses	15,737	12,370
	301,705	(305,222)
Cash Flows from Investing Activities		
Purchases of property and equipment	(346,797)	(900,624)
Proceeds from sales of investments	439,011	713,192
Purchases of investments	(92,976)	(78,840)
	(762)	(266,272)
Cash Flows from Financing Activities		
Contributions received for long-term purpose	507,020	526,601
	807,963	(44,893)
Net change in cash and cash equivalents		
Cash and cash equivalents, beginning of year	1,478,813	1,523,706
Cash and cash equivalents, end of year	\$ 2,286,776	\$ 1,478,813

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 1 – Nature of Operations

Community Food Bank of Eastern Oklahoma, Inc. (the Organization) is an Oklahoma not-for-profit corporation organized to collect food and distribute it to charitable organizations throughout eastern Oklahoma.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting a reporting

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 (U.S. GAAP).

Basis of presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor (or grantor) imposed restrictions. Accordingly, net assets therein are classified and reported in two classes of net assets as follows:

- *Net Assets Without Donor Restrictions* – Net assets without donor restrictions are not subject to donor-imposed restrictions and available for use at the discretion of management and the Board of Directors (the Board) for support of operations. From time-to-time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. Board designated net assets may be earmarked for future programs, investment, contingencies, purchase of property and equipment or other uses.
- *Net Assets With Donor Restrictions* – Net assets with donor restrictions represent funds with donor (or grantor) imposed time and/or purpose restrictions. Some donor (or grantor) imposed restrictions are temporary in nature and expire with the passage of time or for expenditures for a specific purpose such as acquisitions, capital campaign funds, or programs. Other donor-imposed restrictions are perpetual in nature requiring the principal to be invested in perpetuity and only the income is available for use in accordance with the provisions or the related agreements. See Note 11 for more information on the composition of net assets with donor restrictions.

Cash and cash equivalents

The Organization considers certificates of deposit, money market funds, and all highly liquid investments with an initial maturity of three months or less when purchased, excluding cash equivalents held in the Organization's investment portfolio, to be cash equivalents. The Organization maintains its cash and cash equivalents in accounts which typically exceed federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts, grants and pledges receivable

Grants and pledges receivable are carried at the original pledge amount discounted to the present value less an estimate made for doubtful accounts. Accounts receivable include program and other operating receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to the receivable balance. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. No allowance for doubtful accounts was deemed necessary as of June 30, 2019 or 2018.

Inventory

Inventory consists of contributed and purchased food items. United States Department of Agriculture (USDA) contributed food items are valued at per pound amounts established by the USDA. Other contributed food items are valued at estimated weighted average wholesale amount per pound as determined by Feeding America. Purchased food items are stated at the lower of cost (determined on the first-in, first-out method) net of any write-offs for spoilage or obsolescence. The distributed inventory expense includes spoilage and shrinkage (overage) for the years ended June 30, 2019 and 2018, of \$3,003,924 and \$2,973,010 for non-USDA items and \$308,697 and \$(12,926) for USDA items, respectively.

Investments

The Organization's investments, which are held under managerial agency agreements, include equity securities, federal and federal agency, state and corporate debt securities, certificates of deposit and money market funds, which are carried at fair value, based upon quoted market prices or dealer quotes. Investment income or loss, including realized and unrealized gains and losses on investments, interest and dividends and investment expenses, is included in the statement of activities as increases or decreases in net assets. Donated investment instruments are initially recorded at estimated fair value at the date of the donation.

Property and equipment

Property and equipment are capitalized if the expenditure exceeds \$1,000 and a three-year life. The assets are recorded at historical cost or fair value at date of donation. Depreciation of these assets is computed on the straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 39 years. Maintenance and repair costs are expensed as incurred, while renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the statements of activities for the period.

Contributions, grants and revenue recognition

The Organization reports gifts of cash and other assets and unconditional promises to give as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Net assets that are not subject to donor-imposed restrictions are classified as net assets without donor restrictions. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as net assets without donor restrictions.

The Organization reports gifts of long-lived assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to

acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give are recognized as contribution revenue in the period the promise to give is made by the donor and as assets, or decreases of liabilities or expense, depending on the form of the benefit received. Promises to give are recorded at the estimated net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenue is recognized when earned. Contributed food is recognized as unrestricted support when received and as program expenses when distributed. Contract revenues under grants for reimbursement of expenditures are recognized as unrestricted revenues in the period in which the expenditures in compliance with the specific grant restrictions are incurred.

Shared expense revenue representing revenue from the billing of operating charges to organizations receiving food is recorded at the time the food is shipped, regardless of when the monies are received.

Donated services

The Organization uses, to varying degrees, the services of unpaid volunteers in conducting its warehousing and distribution activities. For the years ended June 30, 2019 and 2018, approximately 11,100 and 9,100 volunteers donated approximately 69,000 and 68,000 hours of service, respectively. No amounts have been reflected in the accompanying financial statements for such donated services because they do not meet the criteria for recognition.

Functional allocation of expenses

Costs of supporting the various programs and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect expenses are allocated between programs and supporting services based on the employee's position and job responsibilities. Administrative expenses are allocated to each area based on an estimate of usage. Occupancy expenses are allocated based upon square footage and communication expenses are allocated based upon headcount.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation. As a result, as long as the Organization maintains its tax exemption, it will not be subject to income tax.

Use of estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments which potentially subject the Organization to credit risk consist of accounts receivable, unconditional promises to give and investments. Credit risk for all the Organization's receivables is concentrated because the majority of the balances are receivable from individuals and entities located within the same geographic region.

The Organization's investments consist of various equity and fixed income securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the investment account balances and the amounts reported in the statements of financial position and the statements of activities.

Recently adopted accounting pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which provides more relevant information about available resources (and the changes in those resources) to donors, grantors, creditors and other users. The most significant aspects of the ASU are as follows: (1) replaces the current presentation of three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets – net assets with donor restrictions and net assets without donor restrictions, (2) expands the disclosures about the nature and amount of any donor restrictions, board designations of net assets without donor restrictions as well as any underwater endowment funds, (3) requires expenses to be presented by nature and function, as well as an analysis of the allocation of these expenses, and (4) requires specific quantitative and qualitative disclosures to improve the ability of financial statement users to assess the entity's available financial resources and the methods by which it manages liquidity and liquidity risk. The Organization has adopted the standard as of June 30, 2019. As a result, the Organization changed its presentation of its net assets classes and expanded the footnote disclosure required by the standard. The Organization elected not to disclose liquidity and availability information for 2018 as permitted under the standard in the year of adoption.

New accounting pronouncements yet to be adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. This standard is effective for the Organizations fiscal year ending June 30, 2020. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. In addition, the ASU helps an entity evaluate whether contributions are considered conditional or unconditional. This standard is effective for the Organization's fiscal year ending June 30, 2020. Management is evaluating the impact this standard will have on the financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes in the Disclosure requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU No. 2018-13 is effective for the Organization for its fiscal year ending June 30, 2020. The Organization is currently evaluating the impact of this new standard on its financial statements and related disclosures.

Subsequent events

Management has evaluated subsequent events through November 19, 2019, the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to be in conformity with the 2019 financial statement presentation, net assets and changes in net assets are unaffected by these reclassifications.

Note 3 – Liquidity and Availability of Financial Assets

The Organization's financial assets and liquid resources available for general expenditures (such as operating expenses) as of the financial position date, are as follows at June 30, 2019:

Cash and cash equivalents	\$ 2,286,776
Accounts and grants receivable	640,284
Pledges receivable	5,673,719
Investments	<u>3,041,591</u>
Total financial assets available	11,642,370
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(9,455,523)</u>
	<u>\$ 2,186,847</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization follows the recommended practice of having a three-month cash availability to cover daily operating expenses, including payroll. In addition, the organization has a money market account which is also considered a reserve account. To help manage unanticipated liquidity needs, the organization has a line of credit of \$500,000, upon which it can draw.

Note 4 – Pledge Receivables

Below is a summary of the expected periods of collection for outstanding pledges receivable as of June 30:

	<u>2019</u>	<u>2018</u>
Amounts due:		
Within one year	\$ 1,774,580	\$ 63,818
Two to five years	3,970,000	-
	5,744,580	63,818
Less discount to net present value at 1.9%	<u>(70,861)</u>	<u>-</u>
Pledges receivable, net	<u>\$ 5,673,719</u>	<u>\$ 63,818</u>

Note 5 – Inventory

Inventory is comprised of the following at June 30:

	2019	2018
USDA contributed food	\$ 709,407	\$ 216,553
Purchased food and product	142,322	304,908
Other contributed food and product	2,195,923	2,723,367
	<u>\$ 3,047,652</u>	<u>\$ 3,244,828</u>

Note 6 – Property and Equipment

Property and equipment are comprised of the following at June 30:

	2019	2018
Land	\$ 229,060	\$ 157,060
Buildings and improvements	10,004,033	9,890,511
Warehouse equipment, trucks and commercial kitchen	2,989,972	2,959,284
Office equipment	1,166,185	1,055,225
Construction in progress	59,592	39,965
	<u>14,448,842</u>	<u>14,102,045</u>
Less: accumulated depreciation	5,629,247	5,041,155
Property and equipment, net	<u>\$ 8,819,595</u>	<u>\$ 9,060,890</u>

Note 7 – Investments and Fair Value Measurements

The FASB Accounting Standards Codification established a consistent framework for measuring fair value and fair value hierarchy based on the observability of inputs used to measure fair value.

These inputs are summarized in the three broad levels listed below:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at June 30, 2019. During the year ended June 30, 2019, there were no transfers of financial instruments into or out of Level 3. Following is a description of the valuation methodologies used for assets measured at fair value:

The fair value of investments in money market funds, certificates of deposit, and equity securities are based upon quoted market prices for identical assets and are classified within Level 1.

The fair value of investments in debt securities are valued using quoted prices in active markets for identical assets when available. Where quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows. Inputs used include broker/dealer quotes and other data which are obtained from independent pricing services. These investments are classified within Level 2.

Beneficial interest in assets held by others is measured at fair value using Level 3 inputs. Since Tulsa Community Foundation (TCF) maintains variance power for the beneficial interests held, there is no potential market for the beneficial interests or similar assets. Consequently, the valuation is determined by aggregating the valuation of the underlying investments of the beneficial interest. The underlying investments include cash equivalents, corporate obligations, equity securities and other investments. The fair values of the underlying investments are based on quoted prices from active and inactive markets.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 388,467	\$ -	\$ -	\$ 388,467
Money market funds	80,321	-	-	80,321
Equity securities	1,550,585	-	-	1,550,585
Federal, federal agency, state and corporate debt securities	-	1,022,218	-	1,022,218
Total investments	2,019,373	1,022,218	-	3,041,591
Beneficial interest in assets held by community foundation	-	-	972,319	972,319
	<u>\$ 2,019,373</u>	<u>\$ 1,022,218</u>	<u>\$ 972,319</u>	<u>\$ 4,013,910</u>
	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 585,626	\$ -	\$ -	\$ 585,626
Money market funds	44,343	-	-	44,343
Equity securities	1,505,287	-	-	1,505,287
Federal, federal agency, state and corporate debt securities	-	1,024,802	-	1,024,802
Total investments	2,135,256	1,024,802	-	3,160,058
Beneficial interest in assets held by community foundation	-	-	957,239	957,239
	<u>\$ 2,135,256</u>	<u>\$ 1,024,802</u>	<u>\$ 957,239</u>	<u>\$ 4,117,297</u>

The following table summarizes the changes in the fair value of the Organization's Level 3 financial assets and liabilities for the year ended June 30, 2019:

Balance at July 1, 2018	\$ 957,239
Change in value of beneficial interest in perpetual trusts held by others	57,996
Distributions received	<u>(42,916)</u>
	<u>\$ 972,319</u>

Net change in beneficial interests in perpetual trust is reflected as net real and unrealized gain in the statements of activities, with distributions received (if any) presented as investment income.

Investment income is composed of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Dividends and interest	\$ 113,026	\$ 89,633
Net realized and unrealized gain	242,648	186,695
Investment fees	<u>(16,655)</u>	<u>(16,614)</u>
	<u>\$ 339,019</u>	<u>\$ 259,714</u>

Note 8 – Beneficial Interest in Assets Held by Community Foundation

The Organization is the beneficiary of certain endowment funds at TCF. TCF is a not-for-profit entity that provides for endowed contributions to be pooled to maximize return on investments for the benefit of area not-for-profit organizations. Contributions to the endowment funds are permitted by not-for-profit entities, as well as individual donors in the community who designate the beneficiary of their contributions. The Organization made no contributions to TCF for the years ended June 30, 2019 or 2018. Earnings on these endowed funds are distributed annually in accordance with the terms of the endowment and TCF's spending policies.

Endowed funds contributed by the Organization and the reinvested earnings thereon, net of distributions received, are reflected in the statements of financial position as beneficial interest in assets held by community foundation. The fair value of endowed funds contributed by third-party donors that are held by TCF designated for the benefit of the Organization was \$39,293 and \$37,089 at June 30, 2019 and 2018, respectively. TCF has variance power over contributions it has received from third parties on behalf of the Organization. Accordingly, such endowed funds are not reflected in the Organization's statements of financial position.

Note 9 – Endowment Funds

The Board interprets Oklahoma law as requiring the preservation of the fair value of the original donor-restricted endowment funds as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions – in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Oklahoma law and in accordance with original donor stipulations, if any.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold either in perpetuity or for a donor-specified period of time, as well as funds functioning as endowment as designated by the Board. Under this policy, as approved by the Board, the assets are to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions to support the Organization.

Operating endowment funds are held by TCF. Distributions from the operating endowment funds are made in accordance with the spending policy adopted by TCF. TCF has the authority to modify any restriction or condition on distributions from the funds, if in the sole judgment of TCF, the restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs served by TCF.

The Organization's endowment net asset composition, by type, is as follows:

	Without Donor Restriction	With Donor Restriction	Total
June 30, 2019			
Donor-restricted endowment funds	\$ -	\$ 61,088	\$ 61,088
Board-designated endowment funds	911,231	-	911,231
Total endowment	\$ 911,231	\$ 61,088	\$ 972,319
June 30, 2018			
Donor-restricted endowment funds	\$ -	\$ 61,088	\$ 61,088
Board-designated endowment funds	896,151	-	896,151
Total endowment	\$ 896,151	\$ 61,088	\$ 957,239

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2017	\$ 827,254	\$ 61,088	\$ 888,342
Investment income, net	68,897	-	68,897
Appropriated for expenditure	-	-	-
Endowment net assets, July 1, 2018	896,151	61,088	957,239
Investment income, net	15,080	-	15,080
Appropriated for expenditure	-	-	-
Endowment net assets, June 30, 2019	\$ 911,231	\$ 61,088	\$ 972,319

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or state law requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies for the years ended June 30, 2019 or 2018.

Note 10 – Line of Credit

The Organization had a revolving line of credit with a bank for up to \$500,000 which matured October 2019. Interest was due monthly at 1.5% plus the London Interbank Offered Rate (2.37% as of June 30, 2019). The revolving line of credit is secured by the assets of the Organization. Subsequent to year-end, the line of credit was renewed with an interest rate of 3.3% and matures in October 2020.

Note 11 – Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2019	2018
With donor restrictions:		
Subject to expenditure for specific purpose:		
Tulsa Capital Campaign	\$ 6,365,528	\$ -
Property and equipment purchase and maintenance	1,709,212	1,799,171
Facilities maintenance grant	821,847	806,058
Reynolds enrichment grant	121,300	336,300
Food 4 Kids	265,893	300,282
Senior feeding program	-	46,047
McAlester capital campaign	54,723	80,973
Retail store donations program	14,970	5,556
Clinic pantry	43,520	54,335
Other	43,139	11,581
Veterans	15,391	-
Total for specific purposes	9,455,523	3,440,303
Subject to donor restrictions in perpetuity	61,088	61,088
Total net assets with donor restrictions	<u>\$ 9,516,611</u>	<u>\$ 3,501,391</u>

Note 12 – Funds Released from Restriction

Net assets released from donor restrictions by incurring expenses satisfying the restrictive purpose or by occurrence of events specified by donors were as follows at June 30:

	2019	2018
Purpose restrictions:		
Grants for programs and enrichment	\$ 150,000	\$ 305,000
Property and equipment expenditures	89,959	94,693
Kids programs	74,389	89,315
Retail store donations program	65,586	84,027
Senior feeding program	46,047	82,077
McAlester capital campaign	26,250	66,184
Other	-	87,045
Clinic Pantry	10,815	-
Trucks and trailers	-	18,321
	<u>\$ 463,046</u>	<u>\$ 826,662</u>

Note 13 – Retirement Plan

The Organization has established a simplified employee pension plan. Any employee who has attained the age of 21 and completed one year of service is eligible to participate. Contributions by the Organization are discretionary. Contributions were approximately \$114,000 and \$116,000 for the years ended June 30, 2019 and 2018, respectively.

Note 14 – Commitments and Contingencies

The Organization has a contract with the Oklahoma Department of Human Services (ODHS) under which it receives and distributes USDA contributed food and receives reimbursement of related storage and distribution costs. The current contract period runs from October 1, 2018 through September 30, 2019. Subsequent to year-end, this contract was renewed for another fiscal year ending September 2020. The funds available under this contract are restricted to purposes and activities approved by ODHS during the contract period. The Organization recognized revenue and support of approximately \$4,900,000 for contributed food and \$800,000 for reimbursement of costs for the year ended June 30, 2019, under this contract.

A substantial portion of the Organization's support and revenue is derived from various grants and contracts which depend directly or indirectly on continued funding from the federal government. The loss of these funds, or extended delays of the receipt of these funds, could adversely impact the operations and continued existence of the Organization. The grants and contracts are subject to audit by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in reimbursements to these governmental agencies. Management believes that amounts questioned, if any, will be immaterial.

SUPPLEMENTAL INFORMATION

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2019

Pass-through Grantor Federal Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Agriculture:</u>				
Passed through the Oklahoma Department of				
Human Services:				
Food Distribution Program Cluster:				
U.S. Department of Agriculture Emergency				
Food Assistance Program:				
Program Commodities - July 2018 through				
September 2018 (Note 3)	10.569	72208	\$ 542,401	\$ 542,401
Program Commodities - October 2018 through	10.569	72208	4,316,590	4,316,590
June 2019 (Note 3)				
Reimbursement of storage and distribution costs	10.568	72208	-	738,090
October 2018 through June 2019				
Commodity Supplemental Food Program	10.565	70418	-	44,241
Total of Food Distribution Program Cluster			4,858,991	5,641,322
Passed through the Oklahoma State				
Department of Education:				
Summer Food Service Program for Children	10.559	72N009	-	218,818
Child and Adult Care Food Program	10.558		-	107,257
Total U.S. Department of Agriculture			4,858,991	5,967,397
<u>U.S. Department of Health and Human Services:</u>				
Passed through the Oklahoma Department				
of Human Services:				
TANF Reimbursement of storage and distribution				
costs - October 2018 through June 2019	93.558	72208	-	172,500
<u>Corporation for National and Community Service:</u>				
Passed through Red River Community Corps, Inc.:				
Oklahoma in Action AmeriCorps Program	94.006		-	35,140
Total expenditures of federal awards			\$ 4,858,991	\$ 6,175,037

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2019

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Community Food Bank of Eastern Oklahoma, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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

Note 3 – Nonmonetary Assistance

Nonmonetary assistance is reported in the Schedule based on the amount expended and is valued at amounts established by the United States Department of Agriculture (USDA). At June 30, 2019, the Organization had USDA commodities inventory of \$709,407 based on USDA assessed values as follows:

Inventory at beginning of year	\$ 216,553
Value of commodities received	5,351,845
Value of commodities distributed - July 2018 through September 2018	(542,401)
Value of commodities distributed - October 2018 through June 2019	<u>(4,316,590)</u>
Inventory at end of year	<u><u>\$ 709,407</u></u>

OTHER REPORTS

**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**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Food Bank of Eastern Oklahoma, Inc.

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 Community Food Bank of Eastern Oklahoma, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2019, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified.

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 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.

A handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma
November 19, 2019

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Food Bank of Eastern Oklahoma, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Community Food Bank of Eastern Oklahoma, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

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 June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization 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 the Organization'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 the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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.

A handwritten signature in black ink that reads "Hogan Taylor" followed by the initials "UP". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma
November 19, 2019

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2019

Section I – Summary of Auditor's Results

Financial statements

Type of Auditor's report issued:	Unmodified		
	<u>Yes</u>	<u>No</u>	<u>None Reported</u>
Internal control over financial reporting:			
• Material weakness(es) identified?		X	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?			X
• Noncompliance material to financial statements noted?		X	

Federal awards

	<u>Yes</u>	<u>No</u>	<u>None Reported</u>
Internal control over major programs:			
• Material weakness(es) identified?		X	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?			X
Type of Auditor's report issued on compliance for major federal programs:	Unmodified		
	<u>Yes</u>	<u>No</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		X	

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

Year ended June 30, 2019

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Food Distribution Cluster:	
10.569	U.S. Department of Agriculture Emergency Food Assistance Program – Commodities
10.568	U.S. Department of Agriculture Emergency Food Assistance Program – Reimbursement of Storage and Distribution Costs
10.565	U.S. Department of Agriculture Emergency Food Assistance Program – Commodity Supplemental Food Program

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

	Yes	No
Auditee qualified as low-risk auditee?	X	

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

COMMUNITY FOOD BANK OF EASTERN OKLAHOMA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2019

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None