

# **NORTHWEST ARKANSAS FOOD BANK**



**Financial Statements  
December 31, 2022 and 2021**

**(With Independent Auditor's Report Thereon)**

# Northwest Arkansas Food Bank

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
**Northwest Arkansas Food Bank**  
Bethel Heights, Arkansas

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of **Northwest Arkansas Food Bank** (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Financial Statements section of our report. We are required to be independent of the Organization 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.

#### ***Responsibility of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

***Supplementary Information***

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

**Northwest Arkansas Food Bank**

Bethel Heights, Arkansas

The schedule for network activity reporting and state required supplementary data have not been subjected to the auditing procedures in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Landmark PLC". The word "Landmark" is written in a cursive style, and "PLC" is written in a simpler, blocky font.

Rogers, Arkansas  
August 7, 2023

## **Financial Statements**

# NORTHWEST ARKANSAS FOOD BANK

## Statements of Financial Position December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,382,073	\$ 5,038,692
Certificates of deposit	4,516,191	1,006,173
Accounts receivable	192,618	152,175
Unconditional promises to give	1,093,949	95,459
Investments	2,397,700	-
Prepaid expenses and other assets	3,473	17,294
Inventories	825,055	899,135
Property and equipment, net	3,332,831	2,658,904
<b>TOTAL ASSETS</b>	<b>\$ 23,743,890</b>	<b>\$ 9,867,832</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 507,831	\$ 122,305
Accrued expenses	40,362	52,601
<b>Total Liabilities</b>	<b>548,193</b>	<b>174,906</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	6,703,484	3,694,190
Designated	4,176,349	5,544,865
With donor restrictions	12,315,864	453,871
<b>Total Net Assets</b>	<b>23,195,697</b>	<b>9,692,926</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 23,743,890</b>	<b>\$ 9,867,832</b>

See accompanying notes to the financial statements.

# NORTHWEST ARKANSAS FOOD BANK

## Statement of Activities Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Donated product	\$ 12,432,888	\$ -	\$ 12,432,888
Shared maintenance fees	3,379,738	-	3,379,738
Grants	1,368,573	11,221,915	12,590,488
Contributions	4,911,260	1,093,949	6,005,209
Investment income	62,069	-	62,069
Other income	34,437	-	34,437
Net assets released from restrictions:			
Satisfaction of purpose restriction	358,412	(358,412)	-
Satisfaction of time restriction	95,459	(95,459)	-
<b>Total Revenue and Support</b>	<b>22,642,836</b>	<b>11,861,993</b>	<b>34,504,829</b>
<b>EXPENSES</b>			
Program services			
Warehouse	19,580,025	-	19,580,025
Support services			
General and administrative	672,974	-	672,974
Fundraising and development	749,059	-	749,059
<b>Total Expenses</b>	<b>21,002,058</b>	<b>-</b>	<b>21,002,058</b>
<b>CHANGE IN NET ASSETS</b>	1,640,778	11,861,993	13,502,771
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>9,239,055</b>	<b>453,871</b>	<b>9,692,926</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 10,879,833</b>	<b>\$ 12,315,864</b>	<b>\$ 23,195,697</b>

See accompanying notes to the financial statements.



# NORTHWEST ARKANSAS FOOD BANK

## Statement of Activities Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Donated product	\$ 15,832,532	\$ -	\$ 15,832,532
Shared maintenance fees	1,938,397	-	1,938,397
Grants	1,758,356	358,412	2,116,768
Contributions	4,469,168	95,459	4,564,627
Other income	50,503	-	50,503
Net assets released from restrictions:			
Satisfaction of time restriction	204,278	(204,278)	-
<b>Total Revenue and Support</b>	<b>24,253,234</b>	<b>249,593</b>	<b>24,502,827</b>
<b>EXPENSES</b>			
Program services			
Warehouse	21,166,239	-	21,166,239
Support services			
General and administrative	552,006	-	552,006
Fundraising and development	712,286	-	712,286
<b>Total Expenses</b>	<b>22,430,531</b>	<b>-</b>	<b>22,430,531</b>
<b>CHANGE IN NET ASSETS</b>	1,822,703	249,593	2,072,296
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>7,416,352</b>	<b>204,278</b>	<b>7,620,630</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 9,239,055</b>	<b>\$ 453,871</b>	<b>\$ 9,692,926</b>

See accompanying notes to the financial statements.

# NORTHWEST ARKANSAS FOOD BANK

## Statement of Functional Expenses Year ended December 31, 2022

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Warehouse</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	
Advertising costs	\$ 4,827	\$ 5,569	\$ 26,731	\$ 37,127
Auto and truck expense	47,313	9,857	8,543	65,713
Depreciation	315,460	-	-	315,460
Donations	164,347	-	-	164,347
Dues and subscriptions	40,154	8,365	7,250	55,769
Food product	16,516,681	-	-	16,516,681
Fundraising	50,970	58,812	282,298	392,080
Insurance	-	83,920	-	83,920
Labor costs	1,735,556	361,574	313,365	2,410,495
Office expense	9,713	11,207	53,794	74,714
Other expenses	12,988	62,341	11,256	86,585
Professional fees	56,974	11,870	10,287	79,131
Rent expense	-	18,457	-	18,457
Repairs and maintenance	91,176	18,996	16,462	126,634
Training and conferences	4,154	865	750	5,769
Travel	27,221	5,671	4,915	37,807
Utilities and telephone	74,257	15,470	13,408	103,135
Warehouse expense	428,234	-	-	428,234
	<u>\$ 19,580,025</u>	<u>\$ 672,974</u>	<u>\$ 749,059</u>	<u>\$ 21,002,058</u>

See accompanying notes to the financial statements.

# NORTHWEST ARKANSAS FOOD BANK

## Statement of Functional Expenses Year ended December 31, 2021

	Program Services	Support Services		Total
	Warehouse	General and Administrative	Fundraising and Development	
Advertising costs	\$ 14,146	\$ 14,145	\$ 66,014	\$ 94,305
Auto and truck expense	26,870	5,758	5,758	38,386
Depreciation	249,587	-	-	249,587
Donations	112,130	-	-	112,130
Dues and subscriptions	43,764	9,378	9,378	62,520
Food product	18,517,267	-	-	18,517,267
Fundraising	50,344	50,343	234,938	335,625
Insurance	-	60,616	-	60,616
Labor costs	1,556,177	333,466	333,467	2,223,110
Office expense	2,890	2,890	13,488	19,268
Other expenses	5,740	26,788	5,740	38,268
Professional fees	49,106	10,523	10,523	70,152
Rent expense	-	5,118	-	5,118
Repairs and maintenance	93,825	20,105	20,105	134,035
Training and conferences	3,966	850	850	5,666
Travel	12,909	2,767	2,766	18,442
Utilities and telephone	43,208	9,259	9,259	61,726
Warehouse expense	384,310	-	-	384,310
	<u>\$ 21,166,239</u>	<u>\$ 552,006</u>	<u>\$ 712,286</u>	<u>\$ 22,430,531</u>

See accompanying notes to the financial statements.

# NORTHWEST ARKANSAS FOOD BANK

## Statements of Cash Flows Years ended December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,502,771	\$ 2,072,296
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation	315,460	249,587
Donated product received	(12,432,888)	(15,832,532)
Donated product distributed	12,467,431	16,070,042
Loss on disposal of property and equipment	286	30,535
Unrealized gain on investments	(20,267)	-
Unconditional promises to give restricted for long-term purposes	(15,638,322)	(241,699)
Change in:		
Accounts receivable	(40,443)	62,146
Prepaid expenses and other assets	13,821	(1,676)
Inventories	39,537	16,248
Accounts payable	385,526	(87,187)
Accrued expenses	(12,239)	24,375
<b>Net Cash From (Used For) Operating Activities</b>	<b>(1,419,327)</b>	<b>2,362,135</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(989,673)	(1,589,271)
Net change in certificates of deposit	(3,510,018)	(253,998)
Purchases of investments	(2,377,433)	-
<b>Net Cash (Used For) Investing Activities</b>	<b>(6,877,124)</b>	<b>(1,843,269)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of unconditional promises to give restricted for long-term purposes	14,639,832	146,240
<b>Net Cash From Financing Activities</b>	<b>14,639,832</b>	<b>146,240</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>6,343,381</b>	<b>665,106</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,038,692</b>	<b>4,373,586</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 11,382,073</b>	<b>\$ 5,038,692</b>

See accompanying notes to the financial statements.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

### **NOTE 1: NATURE OF ACTIVITIES**

Northwest Arkansas Food Bank (the Organization), is a private, not-for-profit organization providing services for the collection and distribution of food items to other qualifying charitable organizations in the Northwest Arkansas area.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

#### ***Basis of Presentation***

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Codification Topic *Not-for-Profit Entities*. Under this Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

#### ***Cash and Cash Equivalents***

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2022 and 2021 was \$2,395,805 and \$3,335, respectively.

#### ***Accounts Receivable***

Accounts receivable consist of amounts due from the various nonprofit agencies for food purchased during the year. For the years ended December 31, 2022 and 2021, accounts receivable are deemed fully collectible; therefore, no allowance for doubtful accounts is considered necessary. If accounts become uncollectible, they will be charged to operations when that determination is made. Determination of uncollectibility is made by management based on knowledge of individual accounts and consideration of such factors as current economic conditions. Accounts are generally uncollateralized. Past-due status is based on contractual terms. Past-due accounts are not charged interest.

#### ***Unconditional Promises to Give***

Contributions are recognized when the donor makes an unconditional promise to give monies or other non-cash items to the Organization. The Organization uses the allowance method to determine the collectability of its unconditional promises to give. Management has determined that promises to give at December 31, 2022 and 2021 are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary. At December 31, 2022 and 2021, all promises to give are expected to be collected within three years.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

### ***Investments***

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Fair value is determined by references to quoted market prices and other relevant information generated by market transactions. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the cash basis. Unrealized gains are included in the change in net assets. See Note 5 for discussion of fair value measurements.

### ***Inventories***

Inventory consists of food and other items on hand that are valued at an average donated per pound value as determined by Feeding America. During the years ended December 31, 2022 and 2021, the Organization received 6,361,490 and 7,599,831 pounds of donated product, respectively, valued at \$1.67 per pound based on information provided by Feeding America. At December 31, 2022 and 2021, 164,804 and 231,486 pounds were in inventory, respectively.

The Organization is part of the United States Department of Agriculture (USDA) commodities program. Under this program, the Organization distributes food to designated food pantries on behalf of USDA. During the years ended December 31, 2022 and 2021, the Organization received 1,338,112 and 2,995,982 pounds of commodities from USDA, respectively. The products were valued at \$1.35 and \$1.05 per pound, respectively, based on information provided by the USDA commodities program. At December 31, 2022 and 2021, 88,124 and 109,312 pounds were in inventory, respectively.

Inventory that is purchased is valued at cost. The Organization evaluates perishable products on a continuing basis for spoilage, and immediately records the loss of inventory when spoilage occurs. No provision for estimated spoilage of inventory has been made, as management believes all inventory will be sold prior to any spoilage.

### ***Property and Equipment***

Property and equipment are recorded at cost or at fair market value at date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to forty years.

### ***Long-Lived Assets***

FASB Codification Topic *Property, Plant and Equipment*, Section *Subsequent Measurement* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The application of this Codification Topic has not materially affected the Organization's financial position or results of operations.

### ***Net Assets and Contributions Revenue***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization recognizes contributions received and made, including pledges receivable, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

Gifts of land, buildings, and equipment are presented as support and revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Gifts of financial assets, such as donated stock, are converted nearly immediately into cash without limitation or restrictions on sale.

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.

Contributed services which increase non-financial assets such as property or inventory, as well as services contributed by individuals with specialized skill which would have otherwise been purchased, are reported as unrestricted support. Other contributed services that enhance the Organization's programs, but are not so essential that they would otherwise be purchased, are not recorded as support.

### ***Revenue Recognition***

Cost-reimbursable federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statements of Financial Position. The Organization recognizes contributions when cash, an unconditional promise to give, donated product, or a notification of a beneficial interest is received. Shared maintenance fees are recognized when the performance obligation of providing the product is satisfied.

### ***Shared Maintenance Fees***

During the years ended December 31, 2022 and 2021, some of the food and grocery products distributed by the Organization to its member agencies are assessed a shared maintenance fee of up to \$0.18 per pound to assist in on-going operating costs of the Organization. During each of the years ended December 31, 2022 and 2021, the fee was \$0.09 per pound.

### ***Advertising Costs***

The Organization expenses advertising costs as they are incurred.

### ***Functional Allocation of Expenses***

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on the amount of time expended.

### ***Income Taxes and Uncertain Tax Positions***

The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute and is not subject to tax at the entity level for federal and state income tax purposes. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic *Income Taxes*. FASB Codification Topic *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in their financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure under the provisions of FASB Codification Topic *Income Taxes*. The Organization files informational "Return of Organization Exempt from Income Tax" in the U.S. federal jurisdiction.

### ***Use of Estimates***

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

### ***Reclassification***

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

### ***Adoption of Recent Accounting Pronouncements***

#### ***Contributed Nonfinancial Assets***

In September 2020, the FASB issued Accounting Standard Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, (Topic 958)*. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the Statement of Activities apart from contributions of cash and other financial assets. The ASU also requires a disaggregation of the amount of contributed nonfinancial assets recognized within the Statement of Activities by category that depicts the type of contributed nonfinancial assets, whether the contributed nonfinancial assets were monetized or utilized and additional disclosure requirements. Donor-imposed restrictions associated with the contributed nonfinancial assets are also required to be disclosed. The Organization adopted the ASU effective January 1, 2022, the first day of the Organization's fiscal year, using the retrospective approach. The ASU did not have a material impact on the financial statements.

#### ***Leases***

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right-of-use asset and lease liability on the Statements of Financial Position at the date of lease commencement. Lease will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the Statements of Activities. This ASU is effective for years beginning after December 15, 2021. The Organization adopted the ASU effective January 1, 2022, the first day of the Organization's fiscal year, using the new transition alternative approach. The Organization also elected the relief package of practical expedients of which there is no requirement to reassess existing leases, their classification, and initial direct costs as well as an exemption for short term leases with a term less than one year. The ASU did not have a material impact on the financial statements.



# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

### **NOTE 3: CONCENTRATIONS OF RISK**

The Organization uses financial institutions in which it maintains cash, which at times may exceed the FDIC insured limit of \$250,000. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash and cash equivalents. At December 31, 2022 and 2021, the Organization had no uninsured or uncollateralized cash and cash equivalents.

During the years ended December 31, 2022 and 2021, three unrelated organizations provided 69% and one unrelated organization provided 15% of the Organization's contributions and grants, respectively.

### **NOTE 4: UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 509,474	\$ 95,459
Receivable in 1-3 years	584,475	-
	<u>\$ 1,093,949</u>	<u>\$ 95,459</u>

The unconditional promises to give balance is comprised primarily of promises to give from board members and external donors. The Organization considers the balance to be fully collectible. Accordingly, no allowance for uncollectible promises to give is deemed necessary.

### **NOTE 5: INVESTMENTS AND FAIR VALUE MEASUREMENT**

At December 31, 2022, the Organization had investments in the amount of \$2,397,700, with a cost basis of \$2,377,433. All investments were held in U.S. treasury bill securities at December 31, 2022. The Organization had no investments at December 31, 2021.

FASB Codification Topic *Fair Value Measurements and Disclosures*, established a fair valuation hierarchy to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three broad levels.

Investments recorded in the Statements of Financial Position based on the inputs to valuation techniques are as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access. The Organization holds U.S. treasury bill securities which are considered to be Level 1 and are valued at the closing price reported on the active market on which the individual securities are traded.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments.

As a general principle, the current “fair market value” of a security or other asset is the amount that a fund might reasonably expect to (i) receive upon the sale of the security or asset; or (ii) pay to transfer the liability associated with the security or asset in an orderly transaction between market participants on the date on which the security or asset is being valued. In the event that a Level 1 price is not readily available for a given type of security or asset, the fair value of the security or other asset is determined by using pricing inputs that are either directly or indirectly observable on the valuation date for the security or asset, which may include the use of models or valuation methodologies (a Level 2 price). The asset’s 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

*U.S. treasury bill securities:* Valued at closing price reported on the active market on which the security is traded.

At December 31, 2022, the Organization’s investments in U.S. treasury bill securities were all considered to be Level 1. The Organization did not have any investments that were considered to be Level 2 or Level 3.

### **NOTE 6: PROPERTY AND EQUIPMENT**

Major classifications of property and equipment are summarized below:

	<u>2022</u>	<u>2021</u>
Property and equipment subject to depreciation:		
Buildings and improvements	\$ 1,741,702	\$ 1,551,028
Construction in progress	937,150	186,424
Equipment	401,486	381,514
Land improvements	110,360	110,360
Office furniture and equipment	240,803	219,358
Vehicles	1,081,447	1,081,447
	<u>4,512,948</u>	<u>3,530,131</u>
Accumulated depreciation	(1,737,774)	(1,428,884)
Land	557,657	557,657
	<u>\$ 3,332,831</u>	<u>\$ 2,658,904</u>

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

The Organization is currently in the process of constructing a new warehouse facility. As of August 7, 2023, the Organization has spent \$8,114,000. The new facility is anticipated to be in service in June 2024.

### **NOTE 7: DESIGNATED NET ASSETS**

At December 31, 2022 and 2021, the Organization's Board of Directors has chosen to designate net assets without donor restrictions for the purpose of food purchases of \$4,176,349 and \$5,544,865, respectively.

### **NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
<b>Purpose restrictions:</b>		
Data Collection	\$ -	\$ 87,189
Facility and other programs	11,042,974	-
Garden	6,500	-
Salaries and benefits	100,000	140,000
Various food programs	72,441	131,223
<b>Time restrictions</b>	<u>1,093,949</u>	<u>95,459</u>
	<u>\$ 12,315,864</u>	<u>\$ 453,871</u>

### **NOTE 9: RETIREMENT PLAN**

The Organization adopted a Simple IRA plan effective January 1, 2012. Employees who have been employed at the Organization for sixty days are eligible to participate. The Plan allows employees to contribute, through payroll deductions, to a retirement account and to direct those contributions among certain investment options. For the years ended December 31, 2022 and 2021, the Organization matched contributions equal to 100% of elective deferrals up to 2% of compensation, which totaled \$34,978 and \$33,979, respectively, included in "Labor costs" on the Statements of Functional Expenses.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

### NOTE 10: LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 11,382,073	\$ 5,038,692
Certificates of deposit	4,516,191	1,006,173
Accounts receivable	192,618	152,175
Unconditional promises to give	1,093,949	95,459
Investments	<u>2,397,700</u>	<u>-</u>
Total financial assets available within one year	19,582,531	6,292,499
Less amounts restricted by donors with purpose restrictions	11,221,915	358,412
Less amounts restricted by donors with time restrictions	1,093,949	95,459
Less amounts designated by the board for food purchases	<u>4,176,349</u>	<u>5,544,865</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,090,318</u>	<u>\$ 293,763</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity and reserves following three guiding principles: operating with a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

### NOTE 11: COMMITMENTS

In November 2022, the Organization entered into a contract for the design, engineering, and construction of the new facility warehouse for a maximum price of \$21,894,041 and is estimated to be completed in June 2024. As of December 31, 2022, the Organization has incurred a total of \$222,373 and is included in Property and equipment, net on the Statements of Financial Position.

In May 2021, the Organization entered into a contract for the architecture of the new facility warehouse for a maximum price of \$596,000. As of December 31, 2022, the Organization has incurred a total of \$444,785 and is included in Property and equipment, net on the Statements of Financial Position.

The Organization signed a line of credit on November 23, 2022 up to \$10,000,000. The line of credit is collateralized by building materials and supplies for the construction of the new warehouse facility and matures June 1, 2024. The Organization has not drawn from the line of credit as of December 31, 2022.

# NORTHWEST ARKANSAS FOOD BANK

## Notes to Financial Statements December 31, 2022 and 2021

### ***NOTE 12: SUBSEQUENT EVENTS***

Management has evaluated subsequent events through August 7, 2023, the date that the financial statements were available to be issued.

See Note 6 for additional details of ongoing construction project of the new warehouse facility.

On August 3, 2023, the Organization sold the existing warehouse for \$2,050,000, and immediately entered into a twelve-month lease agreement, expiring July 2024, with the new owner.

## **Supplementary Information**

# NORTHWEST ARKANSAS FOOD BANK

## Schedule for Network Activity Reporting (Unaudited) Year ended December 31, 2022

	Cash	Donated or Gifts in Kind	Total
<b>Public Sources of Revenue</b>			
(1) Shared maintenance	\$ 3,379,738	\$ -	\$ 3,379,738
(6) Value of donated food	-	12,432,888	12,432,888
(8) TEFAP administration	40,334	-	40,334
(15) Other state, local government funds (including grants)	12,509,088	-	12,509,088
(18) Loss on sale of property and equipment	(286)	-	(286)
<b>Total public sources of revenue</b>	<b>\$ 15,928,874</b>	<b>\$ 12,432,888</b>	<b>\$ 28,361,762</b>
<b>Operating Expenses</b>			
(1) Wages and benefits	\$ 2,394,371	\$ -	\$ 2,394,371
(2) Staff support expenses	16,124	-	16,124
(3) Professional services	79,131	-	79,131
(4) Technology	80,188	-	80,188
(5) Product purchases	4,083,793	-	4,083,793
(6) Value of donated food distributed	-	10,623,688	10,623,688
(7) Value of USDA food distributed	-	1,809,200	1,809,200
(8) Grants and donations to other organizations	165,652	-	165,652
(9) Occupancy	173,983	-	173,983
(12) Supplies expense	11,493	-	11,493
(13) Direct marketing	190,138	-	190,138
(14) Event expense	80,988	-	80,988
(15) Advertising expense	37,127	-	37,127
(16) Printing and postage	63,221	-	63,221
(18) Insurance expense	83,920	-	83,920
(20) Bank fees	30,099	-	30,099
(21) Fees/dues/publications	55,769	-	55,769
(22) Depreciation	315,460	-	315,460
(23) All other expenses	707,713	-	707,713
<b>Total operating expenses</b>	<b>\$ 8,569,170</b>	<b>\$ 12,432,888</b>	<b>\$ 21,002,058</b>

See Independent Auditor's Report.

# **NORTHWEST ARKANSAS FOOD BANK**

**State Required Supplementary Data (Unaudited)  
Year ended December 31, 2022**

## **Supplementary Data Sheet**

Northwest Arkansas Food Bank  
1378 June Self Drive  
Springdale, AR 72764

TIN #: 71-068030

Phone #: 479-872-8774

President/CEO: Kent Eikenberry

Contact Person: Kent Eikenberry

Audit fee: available upon request

See Independent Auditor's Report.



# NORTHWEST ARKANSAS FOOD BANK

## Schedule of Expenditures of Federal Awards Year ended December 31, 2022

Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Revenues	Expenditures
<b>Federal Awards</b>			
U.S. Department of Agriculture			
Passed through the Arkansas Department of Human Services			
DCO - TEFAP Trade Mitigation	10.178	\$ 427,838	\$ 427,838
Food Distribution Cluster			
COVID-19 Emergency Food Assistance Program (Food Commodities)	10.568	93,958	93,958
Emergency Food Assistance Program (Administrative Costs)	10.568	40,334	40,334
COVID-19 Emergency Food Assistance Program (Food Commodities)	10.569	56,809	56,809
Emergency Food Assistance Program (Food Commodities)	10.569	1,324,553	1,324,553
Total Food Distribution Cluster		<u>1,515,654</u>	<u>1,515,654</u>
Total U.S. Department of Agriculture		<u>1,943,492</u>	<u>1,943,492</u>
U.S. Department of Health and Human Services			
Passed through the Arkansas Department of Commerce			
Division of Workforce Services			
Passed through the Arkansas Food Bank			
477 Cluster			
COVID-19 Temporary Assistance for Needy Families	93.558	842,813	842,813
Total U.S. Department of Housing and Urban Development		<u>842,813</u>	<u>842,813</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 2,786,305</u>	<u>\$ 2,786,305</u>

See Independent Auditor's Report.

# **NORTHWEST ARKANSAS FOOD BANK**

## **Notes to Schedule of Expenditures of Federal Awards Year ended December 31, 2022**

### ***NOTE 1: BASIS OF PRESENTATION***

The significant accounting policies used in preparing the Schedule of Expenditures of Federal Awards (the Schedule) are described in Note 2 to the accompanying financial statements. Revenue from Federal Awards detailed above is included in Donated product, Shared maintenance fees, and Grants in the Statements of Activities. The Organization has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

### ***NOTE 2: NONCASH ASSISTANCE***

Noncash assistance recorded in the Schedule consists of food commodities donated by the USDA (The Emergency Food Assistance Program, or TEFAP, CFDA #10.569) and passed through the Arkansas Department of Human Services to the Organization. The donated food commodities are valued at the estimated fair value of \$1.35 per pound (as valued by Feeding America). The Organization's accounting policy for donated inventories is more fully described in Note 2 of the financial statements and follows accounting principles generally accepted in the United States of America.



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

Board of Directors  
**Northwest Arkansas Food Bank**  
Bethel Heights, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Northwest Arkansas Food Bank** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated August 7, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing 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 entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the entity’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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Northwest Arkansas Food Bank**  
Bethel Heights, Arkansas

**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 "Landmark PLC". The word "Landmark" is written in a cursive style, and "PLC" is written in a more upright, blocky style.

Rogers, Arkansas  
August 7, 2023



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

Board of Directors  
**Northwest Arkansas Food Bank**  
Bethel Heights, Arkansas

**Report on Compliance for the Major Federal Program**

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

We have audited **Northwest Arkansas Food Bank's** (a not-for-profit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. 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.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**Northwest Arkansas Food Bank**  
Bethel Heights, Arkansas

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Landmark PLC*

Rogers, Arkansas  
August 7, 2023

# NORTHWEST ARKANSAS FOOD BANK

## Schedule of Findings and Questioned Costs Year ended December 31, 2022

### I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

1. The opinion expressed in the Independent Auditor's Report was:

Unmodified     Qualified     Adverse     Disclaimer

2. The Independent Auditor's Report on Internal Control Over Financial Reporting disclosed:

Significant deficiency(ies)?                       Yes     None reported  
Material weakness(es)?                               Yes     No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes     No

4. The Independent Auditor's Report on Internal Control Over Compliance with requirements that could have a direct and material effect on each major federal awards program disclosed:

Significant deficiency(ies)?                       Yes     None reported  
Material weakness(es)?                               Yes     No

5. The opinion expressed in the Independent Auditor's Report on Internal Control over Compliance with requirements that could have a direct and material effect on each major federal awards program were:

Unmodified     Qualified     Adverse     Disclaimer

6. The audit disclosed findings required to be reported by the Uniform Guidance?

Yes     No

7. The Organization's major programs were:

<u>Cluster / Program</u>	<u>Assistance Listing Number</u>
Food Distribution Cluster	10.568 & 10.569
477 Cluster	93.558

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The Organization qualified as a low-risk auditee as that term is defined in the Uniform Guidance?

Yes     No



# **NORTHWEST ARKANSAS FOOD BANK**

## **Schedule of Findings and Questioned Costs Year ended December 31, 2022**

### **II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS***

There were no audit findings for the year ended December 31, 2022.

### **III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no audit findings for the year ended December 31, 2022.

# **NORTHWEST ARKANSAS FOOD BANK**

## **Summary Schedule of Prior Year Audit Findings Year ended December 31, 2022**

### **IV. Prior Year Findings and Questioned Costs**

There were no prior year audit findings for the year ended December 31, 2021.