

NORTHWEST ARKANSAS FOOD BANK



**Financial Statements
December 31, 2023 and 2022**

(With Independent Auditor's Report Thereon)

Northwest Arkansas Food Bank

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows	10
Notes to Financial Statements	11
SUPPLEMENTARY INFORMATION	
Schedule for Network Activity Reporting (Unaudited)	20
State Required Supplementary Data (Unaudited)	21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	22
Notes to Schedule of Expenditures of Federal Awards	23
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 <i>GOVERNMENT AUDITING STANDARDS</i>	24
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	29
SUMMARY SCHEDULE OF STATUS OF PRIOR YEAR AUDIT FINDINGS	31



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Arkansas Food Bank
Lowell, 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, 2023 and 2022, 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, 2023 and 2022, 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, 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

Lowell, 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 23, 2024 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 script, and "PLC" is written in a simpler, more upright font.

Rogers, Arkansas
August 23, 2024

Financial Statements

NORTHWEST ARKANSAS FOOD BANK

Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 7,107,725	\$ 11,382,073
Certificates of deposit	3,511,281	4,516,191
Accounts receivable	67,510	192,618
Unconditional promises to give	2,401,927	1,093,949
Investments	-	2,397,700
Prepaid expenses and other assets	-	3,473
Inventories	989,051	825,055
Property and equipment, net	<u>18,538,121</u>	<u>3,332,831</u>
TOTAL ASSETS	<u><u>\$ 32,615,615</u></u>	<u><u>\$ 23,743,890</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,001,733	\$ 507,831
Accrued expenses	<u>80,316</u>	<u>40,362</u>
Total Liabilities	<u>1,082,049</u>	<u>548,193</u>
Net Assets		
Without donor restrictions		
Undesignated	19,012,633	6,703,484
Designated	8,968,558	4,176,349
With donor restrictions	<u>3,552,375</u>	<u>12,315,864</u>
Total Net Assets	<u>31,533,566</u>	<u>23,195,697</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 32,615,615</u></u>	<u><u>\$ 23,743,890</u></u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Statement of Activities Year ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Donated product	\$ 17,708,009	\$ -	\$ 17,708,009
Shared maintenance fees	2,911,036	-	2,911,036
Grants	203,526	1,150,448	1,353,974
Contributions	8,669,262	2,401,927	11,071,189
Investment income	293,441	-	293,441
Other income	14,727	-	14,727
Gain on sale of property and equipment	794,323	-	794,323
Net assets released from restrictions:			
Satisfaction of purpose restriction	11,221,915	(11,221,915)	-
Satisfaction of time restriction	1,093,949	(1,093,949)	-
Total Revenue and Support	<u>42,910,188</u>	<u>(8,763,489)</u>	<u>34,146,699</u>
EXPENSES			
Program services			
Warehouse	24,136,447	-	24,136,447
Support services			
General and administrative	888,318	-	888,318
Fundraising and development	784,065	-	784,065
Total Expenses	<u>25,808,830</u>	<u>-</u>	<u>25,808,830</u>
CHANGE IN NET ASSETS	17,101,358	(8,763,489)	8,337,869
NET ASSETS, BEGINNING OF YEAR	<u>10,879,833</u>	<u>12,315,864</u>	<u>23,195,697</u>
NET ASSETS, END OF YEAR	<u>\$ 27,981,191</u>	<u>\$ 3,552,375</u>	<u>\$ 31,533,566</u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Statement of Activities Year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
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	82,336	-	82,336
Other income	14,456	-	14,456
Net assets released from restrictions:			
Satisfaction of purpose restriction	358,412	(358,412)	-
Satisfaction of time restriction	95,459	(95,459)	-
Total Revenue and Support	<u>22,643,122</u>	<u>11,861,993</u>	<u>34,505,115</u>
EXPENSES			
Program services			
Warehouse	19,580,025	-	19,580,025
Support services			
General and administrative	673,260	-	673,260
Fundraising and development	749,059	-	749,059
Total Expenses	<u>21,002,344</u>	<u>-</u>	<u>21,002,344</u>
CHANGE IN NET ASSETS	1,640,778	11,861,993	13,502,771
NET ASSETS, BEGINNING OF YEAR	<u>9,239,055</u>	<u>453,871</u>	<u>9,692,926</u>
NET ASSETS, END OF YEAR	<u><u>\$ 10,879,833</u></u>	<u><u>\$ 12,315,864</u></u>	<u><u>\$ 23,195,697</u></u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Statement of Functional Expenses Year ended December 31, 2023

	Program Services	Support Services		
	Warehouse	General and Administrative	Fundraising and Development	Total
Advertising costs	\$ 3,484	\$ 4,065	\$ 21,487	\$ 29,036
Auto and truck expense	40,677	7,696	6,596	54,969
Bad debt	-	14,742	-	14,742
Depreciation	264,816	-	-	264,816
Donations	168,321	-	-	168,321
Dues and subscriptions	45,009	8,515	7,299	60,823
Food product	20,713,513	-	-	20,713,513
Fundraising	40,484	47,231	249,651	337,366
Insurance	-	78,482	-	78,482
Labor costs	2,024,300	382,976	328,264	2,735,540
Office expense	9,872	11,518	60,878	82,268
Other expenses	32,455	200,138	37,864	270,457
Professional fees	1,715	54,461	35,880	92,056
Rent expense	-	17,771	-	17,771
Repairs and maintenance	107,122	20,266	17,372	144,760
Training and conferences	6,141	1,161	996	8,298
Travel	24,361	23,922	4,600	52,883
Utilities and telephone	81,264	15,374	13,178	109,816
Warehouse expense	572,913	-	-	572,913
	<u>\$ 24,136,447</u>	<u>\$ 888,318</u>	<u>\$ 784,065</u>	<u>\$ 25,808,830</u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Statement of Functional Expenses Year ended December 31, 2022

	Program Services	Support Services		
	Warehouse	General and Administrative	Fundraising and Development	Total
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
Loss on sale of property and equipment	-	286	-	286
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>\$ 673,260</u>	<u>\$ 749,059</u>	<u>\$ 21,002,344</u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Statements of Cash Flows Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,337,869	\$ 13,502,771
Adjustments to reconcile change in net assets to net cash (used for) operating activities:		
Depreciation	264,816	315,460
Donated product received	(17,708,009)	(12,432,888)
Donated product distributed	17,633,045	12,467,431
(Gain) loss on sale of property and equipment	(794,323)	286
Unrealized (gain) loss on investments	31,768	(20,267)
Unconditional promises to give restricted for long-term purposes	(8,669,520)	(15,638,322)
Change in:		
Accounts receivable	125,108	(40,443)
Prepaid expenses and other assets	3,473	13,821
Inventories	(89,032)	39,537
Accounts payable	(385,797)	385,526
Accrued expenses	39,954	(12,239)
Net Cash (Used For) Operating Activities	<u>(1,210,648)</u>	<u>(1,419,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(15,762,970)	(989,673)
Proceeds from sale of property and equipment	1,966,886	-
Net change in certificates of deposit	1,004,910	(3,510,018)
Purchases of investments	-	(2,377,433)
Proceeds the sale of investments	2,365,932	-
Net Cash (Used For) Investing Activities	<u>(10,425,242)</u>	<u>(6,877,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of unconditional promises to give restricted for long-term purposes	7,361,542	14,639,832
Net Cash From Financing Activities	<u>7,361,542</u>	<u>14,639,832</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,274,348)	6,343,381
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,382,073</u>	<u>5,038,692</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,107,725</u>	<u>\$ 11,382,073</u>

See accompanying notes to the financial statements.

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

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, 2023 and 2022 was \$-0- and \$2,395,805, 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, 2023 and 2022, accounts receivable are deemed fully collectible; therefore, no allowance for credit losses 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, 2023 and 2022 are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary. At December 31, 2023 and 2022, all promises to give are expected to be collected within three years.

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

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 (losses) 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, 2023 and 2022, the Organization received 7,867,981 and 6,361,490 pounds of donated product, respectively, valued at \$1.97 and \$1.67 per pound, respectively, based on information provided by Feeding America. At December 31, 2023 and 2022, 182,178 and 164,804 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, 2023 and 2022, the Organization received 1,700,786 and 1,338,112 pounds of commodities from USDA, respectively. The products were valued at \$0.97 (Commodity Supplemental Food Program) and \$1.34 (The Emergency Food Assistance Program), and \$1.35 per pound, respectively, based on information provided by the USDA commodities program. At December 31, 2023 and 2022, 176,565 and 88,124 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, 2023 and 2022

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, 2023 and 2022, some of the food and grocery products distributed by the Organization to its member agencies are assessed a shared maintenance fee of up to \$0.09 per pound to assist in on-going operating costs of the Organization.

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, 2023 and 2022

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 Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments* (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. This ASC amends ASC Topic 326, *Financial Instruments – Credit Losses* to replace the current incurred loss accounting model with a current expected credit loss approach (CECL) for financial instruments measured at amortized cost and other commitments to extend credit. The amendments require entities to consider all available relevant information when estimating current expected credit losses, including details about past events, current conditions, and reasonable and supportable forecasts. The resulting allowance for credit losses is to reflect the portion of the amortized cost basis that the entity does not expect to collect. Financial assets held by the Company that are subject to the ASU were accounts receivable. The Organization adopted the ASU effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

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, 2023 and 2022, the Organization had no uninsured or uncollateralized cash and cash equivalents.

During the years ended December 31, 2023 and 2022, two and three unrelated organizations provided 27% and 69% of the Organization's contributions and grants, respectively.

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

NOTE 4: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 1,000,963	\$ 509,474
Receivable in 1-3 years	<u>1,400,964</u>	<u>584,475</u>
	<u>\$ 2,401,927</u>	<u>\$ 1,093,949</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 U.S. treasury bill securities in the amount of \$2,397,700, with a cost basis of \$2,377,433. The Organization had no investments at December 31, 2023.

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.

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.

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

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, 2023.

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:

	2023	2022
Property and equipment subject to depreciation:		
Buildings and improvements	\$ 68,485	\$ 1,741,702
Construction in progress	17,541,235	937,150
Equipment	389,973	401,486
Land improvements	-	110,360
Office furniture and equipment	254,480	240,803
Vehicles	1,081,447	1,081,447
	<u>19,335,620</u>	<u>4,512,948</u>
Accumulated depreciation	(1,286,265)	(1,737,774)
Land	488,766	557,657
	<u>\$ 18,538,121</u>	<u>\$ 3,332,831</u>

The Organization completed and placed into service the new warehouse facility on June 17, 2024, with a final cost of approximately \$22,500,000.

NOTE 7: DESIGNATED NET ASSETS

At December 31, 2023 and 2022, the Organization's Board of Directors has chosen to designate net assets without donor restrictions for the purpose of food purchases of \$8,968,558 and \$4,176,349, respectively.

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 and 2022, net assets with donor restrictions consisted of the following:

	<u>2023</u>	<u>2022</u>
Purpose restrictions:		
Facility and other programs	\$ 742,404	\$ 11,042,974
Garden	2,500	6,500
Salaries and benefits	53,350	100,000
Various food programs	352,194	72,441
Time restrictions	<u>2,401,927</u>	<u>1,093,949</u>
	<u>\$ 3,552,375</u>	<u>\$ 12,315,864</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, 2023 and 2022, the Organization matched contributions equal to 100% of elective deferrals up to 2% of compensation, which totaled \$40,974 and \$34,978, respectively, included in "Labor costs" on the Statements of Functional Expenses.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 7,107,725	\$ 11,382,073
Certificates of deposit	3,511,281	4,516,191
Accounts receivable	67,510	192,618
Unconditional promises to give	2,401,927	1,093,949
Investments	<u>-</u>	<u>2,397,700</u>
 Total financial assets available within one year	 13,088,443	 19,582,531
 Less amounts restricted by donors with purpose restrictions	 1,150,448	 11,221,915
Less amounts restricted by donors with time restrictions, excluding pledges receivable to be collected and available for use in one year	1,400,964	584,475
Less amounts designated by the board for food purchases	<u>8,968,558</u>	<u>4,176,349</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,568,473</u>	 <u>\$ 3,599,792</u>

NORTHWEST ARKANSAS FOOD BANK

Notes to Financial Statements December 31, 2023 and 2022

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: NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended December 31, 2023, total property and equipment purchases were \$16,642,669. Of this amount, \$15,762,970 was paid in cash and \$879,699 was included in accounts payable at December 31, 2023.

NOTE 12: 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 (see Note 6). As of December 31, 2023, the Organization has incurred a total of \$16,247,376 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 \$646,709 (see Note 6), which includes change orders. As of December 31, 2023, the Organization has incurred a total of \$616,980 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, with a maximum advance of \$10,000,000, which is collateralized by building materials and supplies for the construction of the new warehouse facility. The Organization has not drawn from the line of credit as of December 31, 2023. The line matured on June 1, 2024, and was subsequently renewed through August 31, 2024.

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 23, 2024, the date that the financial statements were available to be issued.

On May 26, 2024, the Organization's facilities sustained extensive damage due to a tornado. As of August 23, 2024, insurance proceeds received to make the necessary repairs totaled \$741,607.

See Note 6 for additional details of subsequent completion of the warehouse facility project.

See Note 12 for additional details of subsequent renewal of line of credit.

Supplementary Information

NORTHWEST ARKANSAS FOOD BANK

Schedule for Network Activity Reporting (Unaudited) Year ended December 31, 2023

	Cash	Donated or Gifts in Kind	Total
Public Sources of Revenue			
(1) Shared maintenance	\$ 2,911,036	\$ -	\$ 2,911,036
(6) Value of donated food	-	17,708,009	17,708,009
(8) TEFAP/CFSP administration	129,676	-	129,676
(15) Other state, local government funds (including grants)	1,242,173	-	1,242,173
(18) Loss on sale of property and equipment	794,323	-	794,323
Total public sources of revenue	<u>\$ 5,077,208</u>	<u>\$ 17,708,009</u>	<u>\$ 22,785,217</u>
Operating Expenses			
(1) Wages and benefits	\$ 2,722,307	\$ -	\$ 2,722,307
(2) Staff support expenses	13,233	-	13,233
(3) Professional services	92,056	-	92,056
(4) Technology	80,011	-	80,011
(5) Product purchases	3,005,504	-	3,005,504
(6) Value of donated food distributed	-	15,499,923	15,499,923
(7) Value of USDA food distributed	-	2,208,086	2,208,086
(8) Grants and donations to other organizations	396,441	-	396,441
(9) Occupancy	195,784	-	195,784
(12) Supplies expense	10,522	-	10,522
(13) Direct marketing	186,960	-	186,960
(14) Event expense	76,782	-	76,782
(15) Advertising expense	29,036	-	29,036
(16) Printing and postage	71,746	-	71,746
(18) Insurance expense	78,482	-	78,482
(20) Bank fees	32,916	-	32,916
(21) Fees/dues/publications	60,823	-	60,823
(22) Depreciation	264,816	-	264,816
(23) All other expenses	783,402	-	783,402
Total operating expenses	<u>\$ 8,100,821</u>	<u>\$ 17,708,009</u>	<u>\$ 25,808,830</u>

See Independent Auditor's Report.

NORTHWEST ARKANSAS FOOD BANK

**State Required Supplementary Data (Unaudited)
Year ended December 31, 2023**

Supplementary Data Sheet

Northwest Arkansas Food Bank
1604 Honeysuckle Street
Lowell, AR 72745

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, 2023

Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Passed through to Sub-recipients	Revenues	Expenditures
<u>Federal Awards</u>				
U.S. Department of Agriculture				
Food Distribution Cluster				
Passed through Arkansas Department of Education				
Commodity Supplemental Food Program - CFSP	10.565	\$ -	\$ 219,940	\$ 219,940
Commodity Supplemental Food Program - CFSP (Administrative Costs)	10.568	-	66,485	66,485
Emergency Food Assistance Program (Administrative Costs)	10.568	-	42,363	42,363
Commodity Distribution - TEFAP	10.569	1,988,146	1,988,146	1,988,146
Passed through Arkansas Department of Human Services				
ARPA - TEFAP Reach Resiliency	10.568	-	27,000	27,000
Emergency Food Assistance Program (Administrative Costs)	10.568	-	20,828	20,828
 Total Food Distribution Cluster		1,988,146	2,364,762	2,364,762
 Passed through Arkansas Department of Education				
ARPA - Local Food Purchases Assistance	10.182	-	157,750	157,750
Commodity Credit Corporation Eligible Recipient Funds - TEFAP	10.187	-	26,567	26,567
 Passed through Arkansas Department of Human Services				
ARPA - Local Food Purchases Assistance	10.182	-	79,168	79,168
 Total U.S. Department of Agriculture		1,988,146	2,628,247	2,628,247
 TOTAL FEDERAL AWARDS		\$ 1,988,146	\$ 2,628,247	\$ 2,628,247

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

NORTHWEST ARKANSAS FOOD BANK

Notes to Schedule of Expenditures of Federal Awards Year ended December 31, 2023

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 (Commodity Supplemental Food Program, or CFSP, ALN #10.565 and The Emergency Food Assistance Program, or TEFAP, ALN #10.569) and passed through the Arkansas Department of Education to the Organization. The donated food commodities are valued at the estimated fair value of \$0.97 (CFSP) and \$1.34 (TEFAP) 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
Lowell, 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated August 23, 2024.

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.

Report on 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
Lowell, 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 script, and "PLC" is written in a more formal, slightly cursive font.

Rogers, Arkansas
August 23, 2024



**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
Lowell, 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 on the Organization's major federal programs for the year ended December 31, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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
Lowell, 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.

A handwritten signature in black ink that reads "Landmark PLC". The word "Landmark" is written in a cursive style, and "PLC" is in a more straightforward, slightly bold font.

Rogers, Arkansas
August 23, 2024

NORTHWEST ARKANSAS FOOD BANK

Schedule of Findings and Questioned Costs Year ended December 31, 2023

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	10.565, 10.568 and 10.569

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, 2023

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, 2023.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no audit findings for the year ended December 31, 2023.

NORTHWEST ARKANSAS FOOD BANK

Summary Schedule of Status of Prior Year Audit Findings Year ended December 31, 2023

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