

Kansas Foodbank Warehouse, Inc.
Consolidated Financial Statements
With Uniform Guidance Single Audit Report
June 30, 2021 and 2020
With Report of Independent Certified Public Accountants



Kansas Foodbank Warehouse, Inc.
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 11,207,346	\$ 5,741,038
Certificate of deposit	-	2,573,889
Prepaid expenses	84,470	74,726
Investments	4,245,711	2,884,017
Accounts and contributions receivable, net of allowance for uncollectible accounts of \$1,000 (\$1,000 for 2020)	183,779	215,879
Contributions receivable for Capital Campaign, net of allowance for uncollectible accounts of \$-0- (\$-0- for 2020)	58,750	223,850
Inventory - donated food	1,316,821	798,162
Inventory - food purchased	555,505	671,076
Cash restricted for capital campaign	777,658	612,558
Property and equipment - net of accumulated depreciation of \$3,223,237 (\$2,848,172 for 2020)	<u>6,766,197</u>	<u>6,891,443</u>
Total assets	<u>\$ 25,196,237</u>	<u>\$ 20,686,638</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable	\$ 114,230	\$ 83,254
Funds held for others	56,368	136,345
Accrued salaries	-	33,614
Deferred compensation payable	90,851	71,148
Other payables and accrued expenses	715	-
Note payable	<u>-</u>	<u>268,000</u>
Total liabilities	<u>262,164</u>	<u>592,361</u>
Net assets		
Without donor restrictions	18,466,393	14,920,045
Without donor restrictions - board designated	<u>4,682,062</u>	<u>3,525,651</u>
Total net assets without donor restrictions	23,148,455	18,445,696
With donor restrictions	<u>1,785,618</u>	<u>1,648,581</u>
Total net assets	<u>24,934,073</u>	<u>20,094,277</u>
Total liabilities and net assets	<u>\$ 25,196,237</u>	<u>\$ 20,686,638</u>

The accompanying notes are an integral part of the consolidated financial statements.

Kansas Foodbank Warehouse, Inc.
Consolidated Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Donated food	\$ 18,445,630	\$ -	\$ 18,445,630	\$ 17,050,271	\$ -	\$ 17,050,271
Less - unusable product	(684,207)	-	(684,207)	(468,554)	-	(468,554)
Net donated food	17,761,423	-	17,761,423	16,581,717	-	16,581,717
Food purchase program	2,671,282	-	2,671,282	1,357,365	-	1,357,365
Shared maintenance	118,281	-	118,281	177,335	-	177,335
Contributions	5,128,083	2,048,364	7,176,447	4,203,429	2,531,822	6,735,251
Government funding	266,059	-	266,059	265,353	-	265,353
Interest income	56,335	-	56,335	36,322	-	36,322
Rent income	10,000	-	10,000	12,000	-	12,000
Investment income	722,962	-	722,962	148,198	-	148,198
Gain on disposition of asset	400	-	400	-	-	-
PPP Loan forgiveness	268,000	-	268,000	-	-	-
Other revenue	12,652	-	12,652	9,608	-	9,608
Total revenue	27,015,477	2,048,364	29,063,841	22,791,327	2,531,822	25,323,149
Net assets released from restrictions	1,911,327	(1,911,327)	-	2,375,008	(2,375,008)	-
Expenses						
Program services						
Donated food distributed	17,179,231	-	17,179,231	16,796,445	-	16,796,445
Cost of purchased food distributed	3,496,016	-	3,496,016	2,146,266	-	2,146,266
Other program service expenses	2,859,372	-	2,859,372	2,331,346	-	2,331,346
Total program services expense	23,534,619	-	23,534,619	21,274,057	-	21,274,057
Supporting activities						
Administrative	279,047	-	279,047	155,913	-	155,913
Fund-raising	410,379	-	410,379	448,862	-	448,862
Total expenses	24,224,045	-	24,224,045	21,878,832	-	21,878,832
Change in net assets	4,702,759	137,037	4,839,796	3,287,503	156,814	3,444,317
Net assets, beginning of year	18,445,696	1,648,581	20,094,277	15,158,193	1,491,767	16,649,960
Net assets, end of year	\$ 23,148,455	\$ 1,785,618	\$ 24,934,073	\$ 18,445,696	\$ 1,648,581	\$ 20,094,277

The accompanying notes are an integral part of the consolidated financial statements.

Kansas Foodbank Warehouse, Inc.
Consolidated Statements of Functional Expenses
For the Years Ended June 30, 2021 and 2020

	2021				2020			
	Program	Supporting Activities		Total	Program	Supporting Activities		Total
	Services	Administrative	Fundraising		Services	Administrative	Fundraising	
Donated food distributed	\$ 17,179,231	\$ -	\$ -	\$ 17,179,231	\$ 16,796,445	\$ -	\$ -	\$ 16,796,445
Cost of purchased food distributed	3,496,016	-	-	3,496,016	2,146,266	-	-	2,146,266
Other expenses								
Salaries	894,782	137,813	97,687	1,130,282	937,704	60,885	128,277	1,126,866
Employee benefits	251,069	35,857	20,731	307,657	233,585	21,181	36,461	291,227
Depreciation	363,812	11,253	-	375,065	310,622	9,608	-	320,230
Direct mail	56,678	-	277,105	333,783	44,978	-	260,343	305,321
Utilities	133,798	-	-	133,798	129,130	-	-	129,130
Vehicle expense	89,817	-	-	89,817	99,090	-	-	99,090
Warehouse and other supplies	146,896	-	-	146,896	122,173	452	2,971	125,596
Food purchase - share contributions	492,983	-	-	492,983	41,090	-	-	41,090
Payroll taxes	72,468	11,161	7,912	91,540	76,117	5,159	10,868	92,144
Insurance	78,257	-	-	78,257	75,073	2,322	-	77,395
Freight	30,764	-	-	30,764	29,660	-	-	29,660
Regional development and rural delivery	57,037	-	-	57,037	59,821	-	-	59,821
Postage	10,283	8,900	-	19,183	12,436	5,625	5,277	23,338
Computer maintenance	50,699	4,989	1,800	57,487	41,568	2,880	-	44,448
Accounting and legal fees	-	45,147	50	45,197	-	34,026	-	34,026
Equipment repair	28,714	88	-	28,802	21,328	121	-	21,449
Retirement	15,455	3,967	3,486	22,908	15,762	2,386	2,243	20,391
Taxes	11,324	-	-	11,324	27,635	-	-	27,635
Association dues and subscriptions	66	1,181	-	1,246	12,253	1,134	695	14,082
Building maintenance and repair	18,658	11,703	-	30,361	8,597	6,372	-	14,969
Telephone	9,875	352	58	10,285	8,307	869	-	9,176
Offsite food storage and equipment rental	9,253	3,307	-	12,560	9,370	-	-	9,370
Contract labor	10,000	-	75	10,075	1,913	-	-	1,913
Office supplies	3,931	2,765	818	7,514	5,193	798	666	6,657
Travel	413	-	-	413	3,153	456	-	3,609
Meetings and conferences	-	214	-	214	1,847	421	631	2,899
Marketing and printing	163	-	565	728	788	991	410	2,189
Meals and entertainment	119	351	92	561	274	227	20	521
Bad debts	22,059	-	-	22,059	1,879	-	-	1,879
Total other expenses	2,859,372	279,047	410,379	3,548,798	2,331,346	155,913	448,862	2,936,121
Total expenses	23,534,619	279,047	410,379	24,224,045	\$ 21,274,057	\$ 155,913	\$ 448,862	\$ 21,878,832

The accompanying notes are an integral part of the consolidated financial statements.

Kansas Foodbank Warehouse, Inc.
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,839,796	\$ 3,444,317
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:		
Depreciation	375,065	320,230
Gain on investments	(669,816)	(61,977)
Gain on disposition of assets	(400)	-
Donated equipment included in support	(38,000)	-
PPP Loan forgiveness	(268,000)	-
(Increase) decrease in operating assets:		
Prepaid expenses	(9,744)	904
Accounts and contributions receivable	32,100	(85,802)
Inventory - donated food	(518,659)	214,728
Inventory - food purchase	115,571	(514,216)
Increase (decrease) in operating liabilities:		
Accounts payable	30,976	(216,920)
Funds held for others	(79,977)	60,978
Accrued salaries and taxes	(33,614)	11,724
Deferred compensation payable	19,703	18,912
Other payables and accrued expenses	715	-
Net cash provided by operating activities	<u>3,795,717</u>	<u>3,192,878</u>
Cash flows from investing activities:		
Purchases of investments	(2,906,617)	(1,928,175)
Purchases of certificates of deposit	-	(1,313,761)
Proceeds from sale of certificate of deposit	2,573,889	-
Proceeds from sale of investments	2,214,738	1,859,903
Purchases of property and equipment	(211,819)	(501,347)
Proceeds from sale of property and equipment	400	-
Net cash applied to investing activities	<u>1,670,591</u>	<u>(1,883,380)</u>
Cash flows from financing activities:		
Proceeds from note	-	268,000
Collection of pledges for capital campaign	165,100	333,000
Net cash provided by financing activities	<u>165,100</u>	<u>601,000</u>
Net increase (decrease) in cash and cash equivalents	5,631,408	1,910,498
Cash, restricted cash and cash equivalents at beginning of year	<u>6,353,596</u>	<u>4,443,098</u>
Cash, restricted cash and cash equivalents at end of year	<u>\$ 11,985,004</u>	<u>\$ 6,353,596</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Noncash reduction in debt for PPP loan forgiveness	\$ 268,000	\$ -

The accompanying notes are an integral part of the consolidated financial statements.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Kansas Foodbank Warehouse, Inc., and its wholly owned subsidiary, KFBW, LLC. All material intercompany transactions have been eliminated.

Nature of Activities

Kansas Foodbank Warehouse, Inc. (the Organization) was incorporated in 1983 to feed the hungry by soliciting and receiving food and other goods from local, regional, and national food companies and other enterprises. The Organization, in turn, distributes the food and other goods to community charities with programs for the needy. The sources of product for the Organization during the years ended June 30, 2021 and 2020, were:

	2021	2020
Pounds of product solicited	9,858,070	8,773,999
Pounds of product purchased	4,363,988	3,076,090
Pounds of CSFP product	285,607	303,716
Pounds of TEFAP product	3,264,932	2,928,882
Pounds of TEFAP - Bonus product	603,614	1,364,476
Total pounds of product received	<u>18,376,211</u>	<u>16,447,163</u>
 Pounds of product distributed	 <u>18,804,483</u>	 <u>16,417,862</u>

The Organization serves as a distribution center for the Federal program, The Emergency Food Assistance Program (TEFAP). Under this program, the Organization receives, stores, and distributes USDA donated product to other agencies. The Organization does not have variance power over the selection of designated agencies for the product received other than bonus product. Accordingly, the value of the food received and distributed for the portion of the program with no variance power is not included in the statement of activities.

Sources of cash revenues were as follows for the years ended June 30, 2021 and 2020:

	2021	2020
General contributions	60%	71%
Food purchases sales	24%	16%
Food 4 Kids contributions	5%	6%
Other	3%	3%
Shared maintenance fees	1%	2%
Investment income	7%	2%

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Nature of Activities (Continued)

The Organization grants credit to community charities, substantially all of whom are located in the State of Kansas.

Basis of Accounting

The Organization prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restrictions - Net assets that are not subject to or are no longer subject to donor-imposed restrictions. The Organization's board may designate assets without restrictions for specific purposes.

Net assets with donor restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Satisfaction or expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

Change in Accounting Principle

During the year ended June 30, 2021, the Organization adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) using the full retrospective method. This ASU superseded the previous revenue recognition requirements. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The adoption of this ASU did not have a significant impact on the Organization's consolidated financial statements. No changes were required to previously reported assets or revenues as a result of the adoption. Based on the Organization's evaluation process and review of its revenue sources, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard.

Revenue and Revenue Recognition

Donated food is accounted for by weight throughout the fiscal year. Donated food, other than TEFAP and the Commodity Supplemental Food Program (CSFP) product is valued at year-end using the weighted average wholesale value per pound of food, as determined by an annual study performed by Feeding America (a national organization for food banks). The market value of one pound of food at June 30, 2021 and 2020, as determined by Feeding America (see Note 6), is \$1.79 and \$1.74, respectively. Donated TEFAP and CSFP product is valued at year-end based on values provided by the State of Kansas Department of Children and Families.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

Food purchased is sold to member agencies at cost plus certain freight costs. Donated food is distributed to member agencies at no charge. Instead, these member agencies reimburse the Organization a fee of up to \$.16 per pound to share in the cost of maintaining the warehouse. These fees are included in shared maintenance revenues.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. 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.

Gifts-in-kind are recorded at fair market value as of the date received.

Government funding includes federal grant revenue passed through the State of Kansas for food distribution contracts and grant revenue. Federal grant revenue is considered a contribution, with a barrier and a right of return. Grant revenue is recognized as eligible expenses are incurred. Food distribution contracts are considered exchange transactions for the storage and shipping facilitation services. Contract revenue is recognized as services are rendered.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these consolidated financial statements include those assumed in valuing donated food inventory. It is at least reasonably possible that the significant estimate used will change within the next year.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is organized as a Kansas nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is qualified to receive deductible charitable contributions under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation within the meaning of Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income derived from unrelated business income. For the year ended June 30, 2021, the Organization did not incur any unrelated business income. The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The federal exemption from income tax is recognized by state authorities. KFBW, LLC is considered a disregarded entity of the Organization and is included in the Form 990.

Cash & Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

	2021	2020
Cash and cash equivalents	\$ 11,207,346	\$ 5,741,038
Cash restricted for capital campaign	777,658	612,558
Total cash per statement of cash flows	<u>\$ 11,985,004</u>	<u>\$ 6,353,596</u>

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of agencies to meet their obligations. The Organization does not charge interest on accounts receivable. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Inventory

Inventories consist of donated food and food purchased by the Organization. Inventory from the food purchase program is stated at the lower of cost or net realizable value, using the first-in, first-out method. Donated food is recorded at its estimated value per pound as described under Revenue and Revenue Recognition above.

Investments and Investment Income

Investments are stated at fair value. Unrealized and realized gains and losses are reported in the statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is recorded at cost. Donated property and equipment are recorded at fair value at the date of donation. The Organization does not have a capitalization policy. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	31 – 40 years
Building Improvements	10 – 40 years
Equipment and furnishings	5 – 7 years
Vehicles	5 years

The Organization periodically reviews the carrying value of property and equipment and will recognize impairments when the expected future operating cash flow derived from such assets is less than their carrying value.

Funds Held for Others

The Organization may receive contributions that are to be used for specific entities as designated by the donor. This type of transaction is referred to as an agency transaction, in which the Organization has little or no control over the use of the assets received. The Organization records an asset and liability at the time the contribution is promised or received from the donor, and until such time as the Organization remits the contribution to the beneficiary.

Functional Allocation of Expenses

The costs of providing the various programs are summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited. Salaries and benefits are allocated based on estimated time spent in specific areas. Depreciation and other occupancy expenses are allocated based on square footage.

Recent Accounting Pronouncements - Leases

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases* (Topic 842), that will supersede the current lease requirements. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either financing or operating, with the classification affecting the pattern of expense recognition in the statement of activities. Currently, leases are classified as either capital or operating, with only capital lease obligations recognized on the statement of financial position. Lessor accounting under the new standard will remain similar to lessor accounting under current GAAP. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2023, and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Fair Value Measurements

ASC 820, *Fair Value Measurement and Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available. There were no assets measured utilizing level 3 inputs as of June 30, 2021 and 2020.

Fair values of assets measured on a recurring basis at June 30, 2021, are as follows:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
<u>June 30, 2021</u>				
Common stocks	\$ 700,163	\$ 700,163	\$ -	\$ -
Equity funds	2,186,493	2,186,493	-	-
Exchange traded funds	291,701	291,701	-	-
Treasury and federal agencies	146,358	-	146,358	-
Nongovernment obligations	175,142	-	175,142	-
Foreign obligations	48,051	-	48,051	-
Fixed income funds	655,930	655,930	-	-
Alternatives	41,873	41,873	-	-
Total	<u>\$ 4,245,711</u>	<u>\$ 3,876,160</u>	<u>\$ 369,551</u>	<u>\$ -</u>

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at June 30, 2020, are as follows:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
<u>June 30, 2020</u>				
Common stocks	\$ 573,129	\$ 573,129	\$ -	\$ -
Equity funds	1,515,838	1,515,838	-	-
Exchange traded funds	213,493	213,493	-	-
Treasury and federal agencies	125,370	-	125,370	-
Nongovernment obligations	167,071	-	167,071	-
Foreign obligations	27,993	-	27,993	-
Fixed income funds	226,049	226,049	-	-
Alternatives	\$ 35,074	35,074	-	-
Total	<u>\$ 2,884,017</u>	<u>\$ 2,563,583</u>	<u>\$ 320,434</u>	<u>\$ -</u>

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

3. Investments

Investments are stated at fair value and are summarized as follows at June 30, 2021 and 2020:

	Cost	Fair Value	Appreciation (Depreciation)
June 30, 2021			
Common stocks	\$ 489,805	\$ 700,163	\$ 210,358
Equity funds	1,832,581	2,186,493	353,912
Exchange traded funds	252,585	291,701	39,116
Treasury and federal agencies	146,282	146,358	76
Nongovernment obligations	170,314	175,142	4,828
Foreign obligations	47,161	48,051	890
Fixed income funds	645,099	655,930	10,831
Alternatives	38,642	41,873	3,231
Total investments at June 30, 2021	<u>\$ 3,622,469</u>	<u>\$ 4,245,711</u>	<u>\$ 623,242</u>

	Cost	Fair Value	Appreciation (Depreciation)
June 30, 2020			
Common stocks	\$ 508,361	\$ 573,129	\$ 64,768
Equity funds	1,513,640	1,515,838	2,198
Exchange traded funds	243,843	213,493	(30,350)
Treasury and federal agencies	124,827	125,370	543
Nongovernment obligations	146,993	167,071	20,078
Foreign obligations	26,568	27,993	1,425
Fixed income funds	218,586	226,049	7,463
Alternatives	43,985	35,074	(8,911)
Total investments at June 30, 2020	<u>\$ 2,826,803</u>	<u>\$ 2,884,017</u>	<u>\$ 57,214</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2021 and 2020:

	2021	2020
Total investment interest and dividends	53,146	\$ 95,722
Gain on investments	682,376	61,977
Fees and taxes	(12,560)	(9,501)
Investment income per statement of activities	<u>\$ 722,962</u>	<u>\$ 148,198</u>

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

4. Contributions Receivable For Capital Campaign

Contributions receivable for capital campaign consist of the following as of June 30, 2021 and 2020, respectively:

	2021		2020	
	Total	Net Present Value	Total	Net Present Value
Receivable in less than one year	\$ 58,750	\$ 58,750	\$ 218,850	\$ 218,850
Receivable in one to five years	-	-	5,000	5,000
	58,750	58,750	223,850	223,850
Less allowance for uncollectible	-	-	-	-
Net unconditional promises to give	\$ 58,750	\$ 58,750	\$ 223,850	\$ 223,850

5. Property and Equipment

Property and equipment and related accumulated depreciation at June 30, 2021 and 2020, are summarized as follows:

	2021	2020
Land	\$ 1,069,485	\$ 1,069,485
Buildings and improvements	3,290,892	3,290,892
Volunteer Center	2,837,809	2,837,809
Equipment and furnishings	1,408,951	1,374,951
Vehicles	1,382,297	1,166,478
	\$ 9,989,434	\$ 9,739,615
Less accumulated depreciation	3,223,237	2,848,172
	\$ 6,766,197	\$ 6,891,443

6. Transactions With Affiliate

The Organization is a certified food bank of Feeding America, an organization that solicits surplus food and distributes the donations to a nationwide network of food banks. The Organization had the following activity with Feeding America and other Feeding America affiliates during the years ended June 30, 2021 and 2020:

	2021	2020
Pounds (unaudited) of food received	107,821	267,612
Share contribution paid	\$ 6,535	\$ 2,158
Dues paid	\$ -	\$ 11,145

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

7. Board Designated Net Assets

The Board of Directors designated net assets without donor restrictions for the following purposes at June 30, 2021 and 2020:

	2021	2020
Operations endowment	\$ 2,132,923	\$ 1,325,900
Facilities and equipment endowment	1,549,139	1,199,751
Volunteer Center	1,000,000	1,000,000
	<u>\$ 4,682,062</u>	<u>\$ 3,525,651</u>

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020:

	2021	2020
Subject to expenditure for specific purpose:		
Disaster relief	\$ -	\$ 733,847
Capital campaign	603,397	603,397
Food 4 Kids	236,708	-
Mobile pantry	395,287	35,880
Hygiene Pantry	7,000	-
Summer feeding	-	13,087
Food security	65,956	-
Emergency generator	87,400	-
Freezer and cooler grants	139,870	12,370
	<u>1,535,618</u>	<u>1,398,581</u>
Subject to restriction in perpetuity:		
Endowment	250,000	250,000
Total net assets with donor restrictions	<u>\$ 1,785,618</u>	<u>\$ 1,648,581</u>

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

8. Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose. Releases during the years ended June 30, 2021 and 2020, consisted of the following:

	2021	2020
Disaster relief	\$ 1,029,717	\$ 934,147
Food 4 Kids	679,542	774,719
Capital campaign	-	611,360
Bob Box	2,960	20,100
Appropriated endowment earnings	48,549	12,790
Mobile pantry	21,327	11,650
Hygiene pantry	-	9,550
Filling the Gap	13,721	692
Produce procurement	23,836	-
Summer feeding	38,681	-
Food security	19,044	-
Emergency generator	5,600	-
Freezer and cooler grants	28,350	-
	<u>\$ 1,911,327</u>	<u>\$ 2,375,008</u>

9. Endowment

Interpretation of Relevant Law

The Board of Directors of Kansas Foodbank Warehouse, Inc., has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of gifting of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted net assets (a) the original fair value of gifts donated to the permanent endowment and gifts with time or purpose restrictions imposed by donor, (b) the original fair value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the instructions of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

9. Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2021:

<u>Type of Endowment Fund</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 250,000	\$ 250,000
Board designated endowment funds	3,682,062	-	3,682,062
Total endowment net assets	<u>\$ 3,682,062</u>	<u>\$ 250,000</u>	<u>\$ 3,932,062</u>

Changes in endowment net assets for the year ended June 30, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,525,651	\$ 250,000	\$ 2,775,651
Transfers	527,912	-	527,912
Investment income	90,107	4,584	94,691
Expenses	(10,815)	(1,745)	(12,560)
Appropriated earnings	48,549	(48,549)	-
Net appreciation	500,658	45,710	546,368
Endowment net assets, end of year	<u>\$ 3,682,062</u>	<u>\$ 250,000</u>	<u>\$ 3,932,062</u>

Endowment net asset composition by type of fund as of June 30, 2020:

<u>Type of Endowment Fund</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 250,000	\$ 250,000
Board designated endowment funds	2,525,651	-	2,525,651
Total endowment net assets	<u>\$ 2,525,651</u>	<u>\$ 250,000</u>	<u>\$ 2,775,651</u>

Changes in endowment net assets for the year ended June 30, 2020:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,389,017	\$ 250,000	\$ 2,639,017
Investment income	105,338	6,026	111,364
Expenses	(7,863)	(1,638)	(9,501)
Appropriated earnings	12,790	(12,790)	-
Net appreciation (depreciation)	26,369	8,402	34,771
Endowment net assets, end of year	<u>\$ 2,525,651</u>	<u>\$ 250,000</u>	<u>\$ 2,775,651</u>

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

9. Endowment (Continued)

Return Objectives

The Organization has adopted an investment policy for its endowment assets for the purpose of long-term growth in real value. The goal for the endowment is to average a 10% annual growth. The Organization expects and recognizes that principal losses can and may occur. Stability of principal is not the primary objective.

Investment Strategies for Achieving Objectives

The Organization has adopted investment strategies that will allow for a 5% distribution of the endowment fund's average fair market value based upon the prior twelve quarter running average. To accomplish this strategy, the Organization requires that total equity investments never exceed 75% or that total fixed investments never exceed 35% of the asset holdings. Assets must have been in existence and have reported performance data for ten or more years before being considered for investment.

Spending Policies and the Relationship with Investment Policies

The Organization has a policy of appropriating 5% of the endowment fund's average fair market value for spending on operations and programs. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective of long-term growth in real value.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with Generally Accepted Accounting Principles (GAAP), deficiencies of this nature are reported as net assets with donor restrictions. There were no such deficiencies reported as of June 30, 2021 and 2020.

10. Pension Plan

The Organization has a Section 403(b) pension plan for all full and part-time employees. Employees can defer up to 75% of their gross salary under the plan, not to exceed certain IRS limitations. The Organization provides a match of employees' contributions up to 4%. Employer contributions during the years ended June 30, 2021 and 2020, were \$22,908 and \$20,391, respectively.

11. Deferred Compensation Plan

In December 2016, the Board of Directors approved the creation of a deferred compensation plan for the President of the Organization. The Organization adopted and executed the plan in March of 2017, at which time the President was entitled to receive a contribution to the plan. The plan states that if the employee is actively employed on December 28th of the relevant year, \$20,000 will be credited to the deferred compensation account. The balance in the account will be paid out in a lump sum on December 28, 2025, if the employee is actively employed at that date. If the employee is no longer able to perform services due to death or disability, a lump sum payment for the amount credited to the account will be made within ten days following the event.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

11. Deferred Compensation Plan (Continued)

The Organization has the right to terminate the plan at any time. At June 30, 2021 and 2020, the present value of the benefit was \$90,851 and \$71,148, respectively.

12. Operating Leases

The Organization leases a copier under an operating lease that expires in June 2026. The lease requires monthly payments of \$669. The following is a schedule by years of future minimum rental payments required under operating leases for office equipment as of June 30, 2021:

<u>Year</u>	<u>Total</u>
2022	\$ 8,778
2023	8,029
2024	8,029
2025	8,029
2026	8,029
	<u>\$ 40,894</u>

Rent expense for the years ended June 30, 2021 and 2020, amounted to \$12,560 and \$9,370, respectively.

13. Concentration of Credit Risk

The Organization maintains cash accounts at two local banks, which retain balances that total more than the maximum federally insured amount of \$250,000. The Organization has not experienced any losses in the accounts and management believes it is not exposed to any significant risk on the cash accounts.

The Organization maintains its investments with two local brokerage firms. Management has elected to have the funds invested in various individual funds that invest in common stock, equity funds, fixed income, alternatives, and cash and cash equivalents.

14. Loan Payable

In April, 2020, the Organization applied for and was approved for a \$268,000 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin until the earlier of the date that partial forgiveness has been granted by the lender or 10 months after the end of the covered period, which is August 1, 2021. If the loan is not forgiven, monthly payments of principal and interest will be due. Due to the conditions surrounding forgiveness and the potential that some or all will have to be repaid, the Organization elected to account for this as a loan. The balance due at June 30, 2020, was \$268,000. The Organization applied for forgiveness with the lender and received forgiveness on December 7, 2020 and has reflected the gain on extinguishment in the statement of activities.

Kansas Foodbank Warehouse, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

15. Availability and Liquidity of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year of June 30, 2021 and 2020, because of contractual of donor-imposed restrictions or internal designations. Amounts available include the board-approved appropriations from the endowment fund for the following year, as well as donor-restricted amounts that are available for operating expenditures in the following years.

	2021	2020
Cash and cash equivalents	\$ 11,207,346	\$ 5,741,038
Certificates of deposit	-	2,573,889
Accounts and contributions receivable, net, collected in less than one year	183,779	215,879
Investments	4,245,711	2,884,017
Total financial assets, excluding noncurrent receivables	15,636,836	11,414,823
Contractual or donor-imposed restrictions:		
Donor restricted for purpose	(1,535,618)	(1,398,581)
Donor restricted in perpetuity	(250,000)	(250,000)
Board designations	(4,682,062)	(3,525,651)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,169,156</u>	<u>\$ 6,240,591</u>

As part of its liquidity plan, excess cash may be invested in short-term certificates of deposit.

Board-designated funds which represent endowments are available to be used for programs, general operations, facility maintenance, renovation projects, acquisition of facility equipment and other such expenditures. Payouts are subject to the Organization's Endowment Payout Policy. The Organization does not plan to use board-designated funds as part of its operating or facilities budget within the next twelve months but the funds are available if needed. The non-endowment board-designated funds are to be used for remaining costs of the volunteer center.

16. Subsequent Events

The Organization has evaluated subsequent events through December 2, 2021, the date which the consolidated financial statements were available to be issued, and no events which required disclosure were identified.

Supplementary Information

Kansas Foodbank Warehouse, Inc.
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor Pass-through Grantor Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Kansas Department for Children and Families Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	52390	\$ 39,319
<u>Child Nutrition Cluster</u>			
Kansas State Department of Education Summer Food Service Program for Children	10.559		118,201
<u>Food Distribution Cluster</u>			
Kansas Department for Children and Families Commodity Supplemental Food Program - Administrative Costs	10.565	2017-CSFP-KFB	65,474
Commodity Supplemental Food Program - Food Commodities	10.565	2017-CSFP-KFB	294,933
Total Commodity Supplemental Food Program			360,407
Kansas Department for Children and Families Emergency Food Assistance Program - Administrative Costs	10.568	52390	43,045
Emergency Food Assistance Program - Food Commodities	10.569	52390	492,119
Total Emergency Food Assistance Program			535,164
Total Food Distribution Cluster			895,571
Total United States Department of Agriculture			1,053,091
<u>Department of the Treasury</u>			
Sedgwick County, Kansas COVID-19 Coronavirus Relief Fund	21.019	70-20-001332	500,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,553,091

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kansas Foodbank Warehouse, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kansas Foodbank Warehouse, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because The Schedule presents only a selected portion of the operations of Kansas Foodbank Warehouse, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Kansas Foodbank Warehouse, Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Kansas Foodbank Warehouse, Inc. has elected not to use the 10% de minimis cost rate allowed under the Uniform Guidance.

**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***

Independent Auditor's Report

To the Board of Directors
Kansas Foodbank Warehouse, Inc.
Wichita, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Kansas Foodbank Warehouse, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Kansas Foodbank Warehouse, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kansas Foodbank Warehouse, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Kansas Foodbank Warehouse, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 the 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 Kansas Foodbank Warehouse, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kansas Foodbank Warehouse, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kansas Foodbank Warehouse, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Regin Carr & Monroe LLP

December 2, 2021
Wichita, Kansas

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

Independent Auditor's Report

Board of Directors
Kansas Foodbank Warehouse, Inc.
Wichita, Kansas

Report on Compliance for Each Major Federal Program

We have audited Kansas Foodbank Warehouse, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Kansas Foodbank Warehouse, Inc.'s major federal program for the year ended June 30, 2021. The Kansas Foodbank Warehouse, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Kansas Foodbank Warehouse, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, Kansas Foodbank Warehouse, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Regin Carr & Monroe LLP

December 2, 2021
Wichita, Kansas

Kansas Foodbank Warehouse, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – Summary of Auditor’s Results

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
10.565, 10.568, 10.569	Food Distribution Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	_____ Yes	<u> X </u> No
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Kansas Foodbank Warehouse, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II – Financial Statement Findings

No reportable matters.

SECTION III – Major Federal Award Findings and Questioned Costs

No reportable matters.

Kansas Foodbank Warehouse, Inc.
Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

SECTION II – Financial Statement Findings

No reportable matters.

SECTION III – Major Federal Award Findings and Questioned Costs

No reportable matters.