

**MID-OHIO FOODBANK**

**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2017 and 2016**

(With Independent Auditor's Report Thereon)

# MID-OHIO FOODBANK

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Mid-Ohio Foodbank  
Grove City, Ohio

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Mid-Ohio Foodbank (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, consolidated functional expenses, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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



**INDEPENDENT AUDITORS' REPORT  
(CONTINUED)**

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mid-Ohio Foodbank as of June 30, 2017 and 2016, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2017, on our consideration of Mid-Ohio Foodbank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Ohio Foodbank's internal control over financial reporting and compliance.

*Hemphill Wright & Associates, Inc.*

Westerville, Ohio  
September 14, 2017



**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$ 3,077,408	\$ 3,116,206
Investments (Note 12)	4,364,877	4,483,024
Accounts Receivable (Net of allowance for doubtful accounts of \$2,000)	1,182,342	419,677
Accounts Receivable-Government	301,702	223,013
Inventory (Note 4)	2,471,330	2,391,067
Prepaid Expenses	226,552	226,575
Total Current Assets	11,624,211	10,859,562
<b>Other Assets</b>		
Assets Held by Others (Note 5)	381,411	347,196
Property, Plant and Equipment, Net (Note 6)	17,261,005	17,992,024
<b>TOTAL ASSETS</b>	<b>\$ 29,266,627</b>	<b>\$ 29,198,782</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 346,321	\$ 413,467
Accounts Payable-Pension	136,747	124,204
Accrued Salaries and Other Payroll Liabilities	376,837	325,816
Other Liabilities	434,607	73,831
Deferred Revenue (Note 8)	220,564	244,699
Note Payable (Note 10)	3,200	3,200
Total Current Liabilities	1,518,276	1,185,217
<b>Long-Term Liabilities</b>		
Note Payable (Note 10)	21,832	25,083
Total Long-Term Liabilities	21,832	25,083
<b>TOTAL LIABILITIES</b>	<b>1,540,108</b>	<b>1,210,300</b>
<b>NET ASSETS</b>		
Total Unrestricted	27,050,416	27,646,287
Total Temporarily Restricted	676,103	342,195
<b>TOTAL NET ASSETS</b>	<b>27,726,519</b>	<b>27,988,482</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 29,266,627</b>	<b>\$ 29,198,782</b>

See Accompanying Notes to Financial Statements

**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUE AND PUBLIC SUPPORT</b>			
Food Contributions	\$ 76,047,308	\$ -	\$ 76,047,308
Operation Feed Campaign	2,502,939	-	2,502,939
Donations & Grants	10,962,066	-	10,962,066
Special Events	-	-	-
Shared Maintenance Fees	3,091,518	-	3,091,518
Program Earned Income	437,915	-	437,915
The Emergency Food Assistance Program (USDA TEFAP)	444,320	-	444,320
Ohio Food Purchase and Agricultural Clearance Program (OFPACP)	524,210	-	524,210
Commodity Supplemental Food Program (CSFP)	473,536	-	473,536
Child and Adult Care Food Program (CACFP)	138,796	-	138,796
Interest Income	456,587	-	456,587
Rental & Other Income	233,752	-	233,752
Net Assets Released from Restrictions	(333,908)	333,908	-
<b>TOTAL REVENUE AND PUBLIC SUPPORT</b>	<u>94,979,039</u>	<u>333,908</u>	<u>95,312,947</u>
<b>EXPENSES</b>			
Program Services			
Collection Storage and Distribution of Food and Nonfood Items	90,291,362	-	90,291,362
Total Program Services	<u>90,291,362</u>	<u>-</u>	<u>90,291,362</u>
Supporting Services			
Management & General	3,869,267	-	3,869,267
Fundraising	1,414,281	-	1,414,281
Total Supporting Services	<u>5,283,548</u>	<u>-</u>	<u>5,283,548</u>
<b>TOTAL EXPENSES</b>	<u>95,574,910</u>	<u>-</u>	<u>95,574,910</u>
Change in Net Assets	(595,871)	333,908	(261,963)
Net Assets at Beginning of Year	<u>27,646,287</u>	<u>342,195</u>	<u>27,988,482</u>
<b>Net Assets at End of Year</b>	<u>\$ 27,050,416</u>	<u>\$ 676,103</u>	<u>\$ 27,726,519</u>

**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2016**

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>TOTAL</b>
<b>REVENUE AND PUBLIC SUPPORT</b>			
Food Contributions	\$ 72,865,011	\$ -	\$ 72,865,011
Operation Feed Campaign	2,518,316	-	2,518,316
Donations & Grants	10,201,194	-	10,201,194
Special Events	151,960	-	151,960
Shared Maintenance Fees	3,547,670	-	3,547,670
Program Earned Income	252,646	-	252,646
The Emergency Food Assistance Program (USDA TEFAP)	442,762	-	442,762
Ohio Food Purchase and Agricultural Clearance Program (OFPACP)	533,716	-	533,716
Commodity Supplemental Food Program (CSFP)	451,861	-	\$451,861
Interest Income	128,993	-	128,993
Rental & Other Income	162,057	-	162,057
Net Assets Released from Restrictions	29,662	(29,662)	-
<b>TOTAL REVENUE AND PUBLIC SUPPORT</b>	<u>91,285,848</u>	<u>(29,662)</u>	<u>91,256,186</u>
<b>EXPENSES</b>			
Program Services			
Collection Storage and Distribution of Food and Nonfood Items	87,013,071	-	87,013,071
Total Program Services	<u>87,013,071</u>	<u>-</u>	<u>87,013,071</u>
Supporting Services			
Management & General	3,666,479	-	3,666,479
Fundraising	1,343,740	-	1,343,740
Total Supporting Services	<u>5,010,219</u>	<u>-</u>	<u>5,010,219</u>
<b>TOTAL EXPENSES</b>	<u>92,023,290</u>	<u>-</u>	<u>92,023,290</u>
Change in Net Assets	(737,442)	(29,662)	(767,104)
Net Assets at Beginning of Year	<u>28,383,729</u>	<u>371,857</u>	<u>28,755,586</u>
<b>Net Assets at End of Year</b>	<u>\$ 27,646,287</u>	<u>\$ 342,195</u>	<u>\$ 27,988,482</u>

**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2017

	<u>Program Services</u>	<u>Management And General</u>	<u>Fundraising Expense</u>	<u>Total Expenses</u>
<b>Food</b>	\$ 80,163,940	\$ -	\$ -	\$ 80,163,940
<b>Labor Costs</b>				
Salaries And Wages	4,169,279	2,018,304	452,650	6,640,233
Payroll Taxes	432,300	216,150	48,808	697,258
Employee Benefits	960,250	484,728	108,415	1,553,393
<b>Total Labor Costs</b>	<u>5,561,829</u>	<u>2,719,182</u>	<u>609,873</u>	<u>8,890,884</u>
<b>Transportation Costs</b>				
Freight	474,756	-	-	474,756
Fuel, License, Repairs	369,773	-	-	369,773
Equipment Lease	812	-	-	812
Transportation Supplies	8,351	-	-	8,351
Insurance	36,461	-	-	36,461
<b>Total Transportation Costs</b>	<u>890,153</u>	<u>-</u>	<u>-</u>	<u>890,153</u>
<b>Building Costs</b>				
Utilities	248,330	26,122	2,375	276,827
Repairs, Maintenance, Supplies	544,386	4,235	385	549,006
Insurance/Property	-	35,960	-	35,960
<b>Total Building Costs</b>	<u>792,716</u>	<u>66,317</u>	<u>2,760</u>	<u>861,793</u>
<b>Administrative Costs</b>				
Office Supplies	3,638	13,975	4,175	21,788
Telephone	33,946	14,346	-	48,292
Travel	75,596	14,152	2,998	92,746
Printing and Publications	-	11,199	106,866	118,065
Staff / Board Development and Marketing	-	574,113	-	574,113
Membership Fees	66,629	2,533	-	69,162
Professional Fees	15,556	137,196	-	152,752
Fundraising Special Events	-	-	-	-
Fundraising Direct Mail	-	-	474,545	474,545
Service Delivery	1,747,059	68,026	-	1,815,085
Other Operation Feed	-	-	9,222	9,222
Other Expenses	121,062	145,824	194,532	461,418
<b>Total Administrative Costs</b>	<u>2,063,486</u>	<u>981,364</u>	<u>792,338</u>	<u>3,837,188</u>
Depreciation	819,238	102,404	9,310	930,952
<b>TOTAL EXPENSES</b>	<u>\$ 90,291,362</u>	<u>\$ 3,869,267</u>	<u>\$ 1,414,281</u>	<u>\$ 95,574,910</u>

See Accompanying Notes to Financial Statements



**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2016

	<u>Program Services</u>	<u>Management And General</u>	<u>Fundraising Expense</u>	<u>Total Expenses</u>
<b>Food</b>	\$ 77,971,550	\$ -	\$ -	\$ 77,971,550
<b>Labor Costs</b>				
Salaries And Wages	3,823,284	1,865,436	449,358	6,138,078
Payroll Taxes	378,566	184,708	44,494	607,768
Employee Benefits	842,568	415,696	99,029	1,357,293
<b>Total Labor Costs</b>	<u>5,044,418</u>	<u>2,465,840</u>	<u>592,881</u>	<u>8,103,139</u>
<b>Transportation Costs</b>				
Freight	469,384	-	-	469,384
Fuel, License, Repairs	356,090	-	-	356,090
Equipment Lease	46,406	-	-	46,406
Transportation Supplies	8,333	-	-	8,333
Insurance	39,804	-	-	39,804
<b>Total Transportation Costs</b>	<u>920,017</u>	<u>-</u>	<u>-</u>	<u>920,017</u>
<b>Building Costs</b>				
Utilities	298,115	22,881	3,814	324,810
Repairs, Maintenance, Supplies	565,226	777	130	566,133
Insurance/Property	-	36,036	-	36,036
<b>Total Building Costs</b>	<u>863,341</u>	<u>59,694</u>	<u>3,944</u>	<u>926,979</u>
<b>Administrative Costs</b>				
Office Supplies	4,772	13,167	3,414	21,353
Telephone	30,956	8,449	1,900	41,305
Travel	79,565	18,566	-	98,131
Printing and Publications	-	7,929	106,701	114,630
Staff / Board Development and Marketing	-	538,530	-	538,530
Membership Fees	61,726	7,464	-	69,190
Professional Fees	-	132,650	-	132,650
Fundraising Special Events	-	-	62,899	62,899
Fundraising Direct Mail	-	-	466,192	466,192
Service Delivery	1,000,923	93,417	-	1,094,340
Other Operation Feed	-	-	8,546	8,547
Other Expenses	229,939	247,984	85,131	563,054
<b>Total Administrative Costs</b>	<u>1,407,881</u>	<u>1,068,156</u>	<u>734,783</u>	<u>3,210,821</u>
Depreciation	805,864	72,789	12,132	890,785
<b>TOTAL EXPENSES</b>	<u>\$ 87,013,071</u>	<u>\$ 3,666,479</u>	<u>\$ 1,343,740</u>	<u>\$ 92,023,291</u>

**MID-OHIO FOODBANK**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	\$ (261,963)	\$ (767,104)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</b>		
Depreciation Expense	930,952	890,785
Realized Gain on Investment	(61,117)	(22,015)
Unrealized Loss (Gain) on Investments	(271,409)	74,902
Changes in Assets:		
(Increase) in Accounts Receivable	(762,665)	(76,771)
(Increase) Decrease in Accounts Receivable - Government	(78,689)	65,534
(Increase) Decrease in Inventory	(80,263)	317,183
Decrease (Increase) in Prepaid Expenses	23	(120,442)
(Decrease) in Assets Held by Others	(34,215)	(339)
Changes in Liabilities:		
(Decrease) in Accounts Payable	(67,146)	(3,006)
Increase in Accounts Payable - Pension	12,543	13,936
Increase in Accrued Salaries and Other Payroll Liabilities	51,021	120,664
Increase (Decrease) in Other Liabilities	360,776	(89,612)
(Decrease) in Deferred Revenue	(24,135)	(133,732)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(286,287)</b>	<b>269,983</b>
<b>Cash Flows From Investing Activities</b>		
Payments for the Purchase of Investments	-	(463,191)
Account Fees from Investments	39,844	-
Proceeds from the Sale of Investments	500,000	-
Reinvested Investment Income	(89,170)	(93,007)
Disposal of Fixed Assets	-	(219,418)
Capital Expenditures	(199,934)	(1,066,037)
<b>Net Cash Provide by (Used in) Investing Activities</b>	<b>250,740</b>	<b>(1,841,654)</b>
<b>Cash Flows From Financing Activities</b>		
Payments on Note Payable - CCDC	(3,251)	(3,151)
<b>Net Cash Used in Financing Activities</b>	<b>(3,251)</b>	<b>(3,151)</b>
Net Decrease in Cash and Cash Equivalents	(38,798)	(1,574,822)
Cash and Cash Equivalents Balance at Beginning of Year	3,116,206	4,691,028
<b>Cash and Cash Equivalents Balance at End of Year</b>	<b>\$ 3,077,408</b>	<b>\$ 3,116,206</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest	\$ 802	\$ 905

See Accompanying Notes to Financial Statements

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 1 - Background**

**Organization**

The Foodbank is a nonprofit corporation that collects, stores and distributes food and nonfood items to organizations feeding the needy. The Foodbank was organized in 1976 and began operations in April 1980. On March 12, 1987, the Foodbank officially changed the name of the organization from Operation Feed, Inc. to Mid-Ohio Foodbank.

In June 2013, Mid-Ohio Foodbank entered into an agreement as the sole member of Urban Farms of Central Ohio, LLC (UFCO), an Ohio non-profit limited liability company. UFCO was organized to create and operate a sustainable, non-profit urban farming business that operates on underutilized urban sites. Mid-Ohio Foodbank retains oversight of the farms and reserved powers for major decisions. The financial statements represent the consolidated operations of Mid-Ohio Foodbank and Urban Farms of Central Ohio, LLC.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The Organization uses the accrual basis of accounting.

**Basis of Presentation**

Donated food is recognized as a contribution and resulting inventory. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- 1) Unrestricted net assets represent the portion of expendable funds that is available for support of the operations of the Organization.
- 2) Temporarily restricted net assets consist of contributions that are restricted for use in specified programs. These include the endowment fund and some government funds receivable.
- 3) Permanently restricted net assets comprise funds that are subject to restrictions that the principal be maintained in perpetuity and invested for the purposes of producing present and future income that may be expended by the Organization. No permanently restricted assets existed as of June 30, 2017 or 2016.

The Organization obtains donations from the following contracts with governmental agencies:

- 1) The Emergency Food and Shelter Program (EFSP) represents Federal funds that have been distributed to the Organization through the United Way acting as fiscal agent for the Emergency Food and Shelter National Board Program. The funds are designated for the purchase of food for distribution to qualified agencies.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

- 2) The USDA-TEFAP Program provides temporary emergency food assistance to the Columbus community and is funded through the State of Ohio Department of Human Services, acting for the United States Department of Agriculture (USDA).
- 3) The Commodity Supplemental Food Program (CSFP) is a federal USDA food and nutrition program serving nutritionally at-risk, income-eligible participants. It is administered in Ohio by the Department of Job and Family Services and program services are provided locally by designated food banks. The targeted participant population in Ohio is the elderly, ages 60 and older; and children, age 5, who age off the WIC program at their sixth birthday.
- 4) The Child and Adult Care Food Program (CACFP) provides payments for eligible meals served to participants who meet age and income requirements. Mid-Ohio Foodbank serves meals to eligible children through the South Side Roots Cafe.

**Tax Exempt Status**

Mid-Ohio Foodbank is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies as a tax-deductible charitable contribution for individual donors. Mid-Ohio Foodbank's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. The Foodbank is also exempt from property tax and state income taxes.

**Cash & Cash Equivalents**

Cash and cash equivalents consist of cash held in checking and money market accounts. At year-end and throughout the year, the organization's cash balances were deposited in several banks.

**Property and Equipment**

The Foodbank capitalizes the cost of all expenditures over \$5,000 for purchased property and equipment and for the estimated fair value of all significant donated property and equipment. Depreciation is provided over the estimated useful lives of the assets or the life of the lease; whichever is shorter, for leasehold improvements, using the straight-line method.

**Public Support and Revenue Recognition**

Contributions received from the general public during the Foodbank's annual Operation Feed campaign are recognized when received. Donations, other than grants are generally recognized when received by the Foodbank. TEFAP, CSFP, CACFP, and Ohio Association of Foodbanks (OAF) revenue is recognized as the related food distribution services are provided to member agencies.

**Shared Maintenance Fees**

To cover distribution costs, the Foodbank assesses member agencies a \$0.08 per pound charge on certain food distributed to them, although fresh food is available at no charge to agencies. USDA TEFAP food is distributed at \$0.08 per pound, while food procured through food drives is distributed free of charge. These fees are recognized as revenues as the related food distribution services are provided to member agencies.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

<b>Note 2 - Summary of Significant Accounting Policies (Continued)</b>
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**Donated Services**

The Foodbank has many volunteers who donate their time to the Foodbank's activities. It is the policy of the Foodbank not to record the value of these donated services since they do not meet the criteria of generally accepted accounting principles (GAAP) which state, "Contributions of services shall be recognized if the services received 1) create or enhance nonfinancial assets; or 2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation."

**Volunteer Credits**

Member agencies supply part-time help to the Foodbank's activities in return for volunteer credits earned at a rate of three dollars per volunteer hour. These credits are used to defray the shared maintenance fees (as noted above) assessed to the respective agencies. Volunteer credits totaling \$2,372 were given during the year ended June 30, 2017.

**Compensated Absences**

Employees of the Foodbank are entitled to paid vacation depending on length of service. Vacation is earned and accrued on a bi-weekly basis; hours accrued beyond 20 days (160 hours) are forfeited. Employees may be paid up to five (5) days (40 hours) for any unused accrued vacation days within any fiscal year. No vested rights or interests are accrued for sick days.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, labor costs are based on salaries and wages paid and allocated based on the nature of the service or activity performed. Building costs are allocated based on square footage and the remaining costs are allocated according to asset usage.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events**

Generally accepted accounting principles defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through September 14, 2017, the date on which the financial statements were available to be issued.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fair Value of Financial Instruments**

The Organization's financial instruments consist primarily of cash, accounts receivable, accounts payable, and accrued expenses. The carrying amount of these assets and liabilities approximates fair value due to their short-term nature.

**Note 3 – Operation Feed**

At June 30, 2017, Operation Feed consisted of cash contributions from the general public during the Foodbank's annual campaign. For the year ended June 30, 2017, \$2,859,863 of contributions received through Operation Feed helped defray shared maintenance fees and provided fresh produce at no charge to member agencies.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

<b>Note 4 - Inventory</b>
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**Donated Food**

Food donated to the Organization is capitalized as inventory and recorded as an unrestricted contribution. Upon distribution, the food is recorded as a decrease in unrestricted net assets. Activities of donated food inventory are summarized as follows:

	6/30/2017		6/30/2016	
	Pounds	Dollar Value	Pounds	Dollar Value
Beginning Inventory	2,003,170	\$ 2,079,485	1,896,448	\$ 2,267,760
Pounds received for the year				
TEFAP	6,207,072	4,377,344	7,775,668	4,660,728
CSFP	2,156,062	1,510,658	1,892,006	1,449,185
OH Food Purchase Program	14,343,085	3,546,447	13,468,087	3,560,215
Industry Surplus	38,496,022	66,598,118	37,841,245	63,194,879
Pounds disbursed for the year				
TEFAP	(6,488,610)	(4,492,770)	(7,402,880)	(4,476,413)
CSFP	(2,157,922)	(1,534,422)	(2,099,311)	(1,614,477)
OH Food Purchase Program	(13,960,064)	(3,462,429)	(13,282,572)	(3,495,051)
Industry Surplus	(36,697,888)	(63,441,729)	(36,885,841)	(61,615,773)
Pounds discarded – unusable food	(2,100,884)	(2,954,549)	(1,199,680)	(1,851,568)
Ending Inventory	1,800,043	\$ 2,226,153	2,003,170	\$ 2,079,485

The estimated value of donated food is \$1.73 per pound for 2017, which was based on the 2016 Feeding America Product Valuation Survey and the estimated value of donated food for 2016 was \$1.67, and was based on the 2015 Feeding America Product Valuation Survey. The fluctuation in the dollar value of inventory received and distributed may not correlate to the fluctuation in pounds; for example, government commodities may be comprised of fewer pounds with higher unit cost.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

<b>Note 4 – Inventory (Continued)</b>
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**Purchased Food**

In addition to donated food, the Organization also maintains an inventory of purchased food as follows:

	6/30/2017		6/30/2016	
	Pounds	Dollar Value	Pounds	Dollar Value
Beginning Inventory	453,247	\$ 311,582	601,109	\$ 440,490
Purchases	9,206,854	3,374,027	6,525,433	2,983,882
Food Distributed	(9,303,975)	(3,440,432)	(6,673,295)	(3,112,790)
Ending Inventory	356,126	\$ 245,177	453,247	\$ 311,582
<b>TOTAL INVENTORY</b>		<b>\$2,471,330</b>		<b>\$ 2,391,067</b>

<b>Note 5 - Assets Held by Others</b>
---------------------------------------

In December 2004, Mid-Ohio Foodbank established a fund with the Columbus Foundation. All income from this fund is to be reinvested into the fund principal. Mid-Ohio Foodbank is the beneficiary of this fund and may direct Columbus Foundation as to the distribution of the funds. A specified beneficiary recognizes its rights to the assets held by a recipient organization as an asset unless the donor has explicitly granted the recipient organization variance power. At the time of transfer, Mid-Ohio Foodbank granted variance power to the Columbus Foundation to distribute the funds to other recipients. Therefore, generally accepted accounting principles require that assets transferred in which variance power was granted be omitted from the beneficiary's statement of financial position.

However, management believes it is highly unlikely that the Columbus Foundation would ever exercise its variance power and that the funds will be distributed only as directed by Mid-Ohio Foodbank. Therefore, management has chosen to report these funds on its statement of financial position as Assets Held by Others and to include in the statement of activities the earnings and gains (losses) generated by the fund. The funds are reflected in the financial statement at current fair market value.

In March 2016, Mid-Ohio Foodbank transferred \$5,000 of operating funds to establish a donor advised fund with the Catholic Foundation as a new opportunity for engaging existing and prospective donors. The President & CEO and CFO are named as advisors to the fund and can, at their discretion, request that donations be disbursed to the organization.



**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 5 - Assets Held by Others (Continued)**

Long-term investment activity is reflected in the table below:

	<u>06/30/2017</u>	<u>06/30/2017</u>	<u>06/30/2016</u>	<u>06/30/2016</u>
	Columbus Foundation	Catholic Foundation	Columbus Foundation	Catholic Foundation
Investment Beginning	\$ 342,195	\$ 5,000	\$ 346,857	\$ -
Purchases	2,080	2,000	500	5,000
Dividends	-	9	-	1
Investment Income Realized/Unrealized	10,244	-	12,436	-
Gains/Losses	22,895	-	(14,704)	-
Investment Management Fees	(3,013)	-	(2,894)	-
Investments Ending	<u>\$ 374,401</u>	<u>\$ 7,009</u>	<u>\$ 342,195</u>	<u>\$ 5,001</u>

**Note 6 - Property, Plant and Equipment**

Property, plant and equipment consisted of the following:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Building	\$ 16,574,794	\$ 16,574,794
Building Improvements	1,210,809	1,130,326
Vehicles	2,322,358	2,318,427
Machinery & Equipment	797,750	735,704
Office Equipment	597,306	584,705
Land	1,570,266	1,570,266
Parking Lot	694,135	681,165
Pantry	18,727	18,727
High Tunnels	79,915	56,140
Total Property, Plant & Equipment	<u>23,866,060</u>	<u>23,670,254</u>
Accumulated Depreciation	<u>(6,605,055)</u>	<u>(5,678,230)</u>
Net Property, Plant & Equipment	<u>\$ 17,261,005</u>	<u>\$ 17,992,024</u>

Depreciation expense for the year ended June 30, 2017 and June 30, 2016 was \$930,952 and \$890,785, respectively.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 7 - Retirement and Tax Sheltered Annuity Plan**

The Foodbank maintains a defined contribution pension plan for all full-time employees who have completed at least one year of service. Contributions of \$523,661 and \$393,584 were made for the years ended June 30, 2017 and 2016, respectively. Pension plan contributions consist of safe harbor and employer match contributions, along with a discretionary amount based upon a percentage of annual compensation of eligible employees; discretionary contributions are set by the Board of Trustees according to the availability of funds. During the year ended June 30, 2013 the Foodbank began a Private Section 457(b) deferred compensation plan for executive management, and in June 2015 added a 457(f) component to the plan. Contributions of \$25,000 were made for the years ended June 30, 2017 and June 30, 2016. Discretionary contributions are set by the Board of Directors.

**Note 8 - Deferred Revenue**

Deferred revenue represents donations designated for 2018 operating support, and credit balances in accounts receivable which have not been earned as of June 30, 2017 and 2016.

**Note 9 - Contingencies**

Contracts and grants with various Local, State and Federal agencies are subject to audits and final settlements under the terms and conditions contained therein. Until such audits and final settlements have been reached, there exists a contingency to refund any amount received in excess of expended allowable costs.

Management believes that no material liability would result from such audits and final settlements. The Foodbank had complied, in all material respects, with the provisions of each grant and contract, and no provision for possible loss and or assessment had been recorded at June 30, 2017 and 2016.

**Note 10 - Note Payable**

Urban Farms of Central Ohio, LLC secured funding through the Community Capital Development Corporation (CCDC) and Franklin County Revolving Loan Fund in October 2013, to be used for equipment and working capital. The original loan amount was \$70,000 with \$35,000 forgiven when two full-time equivalent staff positions were created. Loan terms are six months of interest only, then principal and interest payments due on the 15<sup>th</sup> day of each month at a 3% interest rate amortized over 120 months.

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 11 - Concentration of Credit Risk**

The organization's funds contained in its cash balance at June 30, 2017 and 2016 were held in a total of six different financial institutions. Each of these institutions provides insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation. At June 30, 2017, the cash on deposit at JP Morgan Chase and Nationwide Bank exceeded this \$250,000 limit by \$2,544,618, and \$201,382, respectively. Also at risk at June 30, 2017 was the UBS Investment cash (held in mutual funds) of \$153,577. At June 30, 2016, the cash on deposit at JP Morgan Chase and Nationwide Bank exceeded this \$250,000 limit by \$2,639,020 and \$45,389, respectively. Also at risk at June 30, 2016 was the UBS Investment cash (held in mutual funds) of \$239,989.

**Note 12 - Investments**

The organization maintains investments in cash and treasuries, bonds, fixed income funds, large cap value funds, large cap growth funds, international funds, small cap funds and REIT funds. All investments are classified as Level 1 (Quoted Prices in Active Markets for Identical Assets/Liabilities) investments.

The investments consisted of the following at June 30, 2017 and 2016:

<b>Description</b>	<b>2017</b>		
	<b>Fair Value</b>	<b>Cost</b>	<b>Unrealized Gain / (Loss)</b>
<b>Trading Securities</b>			
Cash Held in Mutual Funds	\$ 153,577	153,577	\$ 1,263
Equities	2,596,113	2,165,610	430,503
Fixed Income	1,615,187	1,623,556	(9,632)
Total	<u>\$ 4,364,877</u>	<u>\$ 3,942,743</u>	<u>\$ 422,134</u>
<b>Description</b>	<b>2016</b>		
	<b>Fair Value</b>	<b>Cost</b>	<b>Unrealized Gain / (Loss)</b>
<b>Trading Securities</b>			
Cash held in Mutual Funds	\$ 239,989	239,889	\$ 100
Equities	2,227,207	2,108,646	118,561
Fixed Income	2,015,828	1,979,919	35,909
Total	<u>\$ 4,483,024</u>	<u>\$ 4,328,454</u>	<u>\$ 154,570</u>

**MID-OHIO FOODBANK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

<b>Note 12 – Investments (Continued)</b>
------------------------------------------

Investment income consisted of the following at June 30:

	<b>2017</b>	<b>2016</b>
Interest and dividend income	\$ 89,170	\$ 93,006
Realized gain on investments	61,117	22,015
Unrealized gains (losses) on investments	271,410	(74,761)
Brokerage fees	(39,844)	(36,809)
Net Investment Income	<u>\$ 381,853</u>	<u>\$ 3,451</u>

<b>Note 13 – Leases</b>
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Reeb Avenue Center rents a portion of a building on Reeb Avenue from the City of Columbus, Ohio. On September 1, 2015 Mid-Ohio Foodbank entered into a sublease agreement with the Reeb Avenue Center to open South Side Roots Café and Market. South Side Roots is owned and operated by Mid-Ohio Foodbank, and includes a pay-what-you-can café, and affordable fresh foods market, a weekly community meal, and a Kids' Café meal program for students at South Side Learning & Development Center and the Boys & Girls Club of Columbus.

The lease is for the period September 1, 2015 through August 31, 2018 at an annual cost of \$25,056. Future lease payments are:

FY 2018	\$ 25,056
FY 2019	4,176
Future Lease payments	<u>\$ 29,232</u>

**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***

To the Board of Directors  
Mid-Ohio Foodbank  
Grove City, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mid-Ohio Foodbank (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, consolidated statement of functional expense and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 14, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mid-Ohio Foodbank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Ohio Foodbank's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Ohio Foodbank'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.



**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***

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Mid-Ohio Foodbank'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hemphill Wright & Associates, Inc.*

Westerville, Ohio  
September 14, 2017

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

To the Board of Directors of  
Mid-Ohio Foodbank  
Grove City, Ohio

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

We have audited Mid-Ohio Foodbank ’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each Mid-Ohio Foodbank’s major federal programs for the year ended June 30, 2017. Mid-Ohio Foodbank ’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mid-Ohio Foodbank’s compliance.

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

In our opinion, Mid-Ohio Foodbank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE- (continued)

**Report on Internal Control over Compliance**

Management of Mid-Ohio Foodbank 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 Mid-Ohio Foodbank internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mid-Ohio Foodbank's internal control over compliance.

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

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

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

*Hemphill Wright & Associates, Inc.*

Westerville, Ohio  
September 14, 2017





**CONSOLIDATED FINANCIALS OF MID-OHIO FOODBANK**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
<b>Food Distribution Programs</b>			
<b>United States Department of Agriculture Pass-Through Programs</b>			
<b>Passed through Ohio Department of Jobs &amp; Family Services</b>			
Commodity Supplemental Food Program (Administrative Costs)	G - 1617 - 17 - 0428	10.565	\$ 117,932
	G - 1617 - 17 - 1028		355,604
Commodity Supplemental Food Program (Food Commodities) (Note B)	G - 1617 - 17 - 0428	10.565	377,665
	G - 1617 - 17 - 1028		1,132,993
Total Commodity Supplemental Food Program			<u>1,984,194</u>
Emergency Food Assistance Program (Administrative Costs)	G - 1617 - 17 - 0422	10.568	444,320
Emergency Food Assistance Program (Food Commodities) (Note B)	G - 1617 - 17 - 0422	10.569	4,377,344
Total Emergency Food Assistance Program			<u>4,821,664</u>
Total Passed through Ohio Department of Jobs & Family Services			<u>6,805,858</u>
<b>Passed through Natural Resources Conservation Service</b>			
Soil and Water Conservation - Community Garden Projects		10.902	131,257
Total Passed through Natural Resources Conservation Service			<u>131,257</u>
<b>Passed through Ohio Department of Education - Office for Child Nutrition</b>			
Child and Adult Care Food Program		10.558	138,796
Total Child and Adult Care Food Program			<u>138,796</u>
Total Passed through Ohio Department of Education - Office for Child Nutrition			<u>138,796</u>
Total United States Department of Agriculture			<u>7,075,911</u>
<b>Total Food Distribution Programs</b>			<u>7,075,911</u>
<b>Community Food Projects</b>			
<b>United States Department of Agriculture Direct Program</b>			
National Institute of Food and Agriculture (NIFA)		10.225	125,000
Food Insecurity Financial Incentive Program (FINI)		10.331	50,000
Total National Institute of Food and Agriculture Program			<u>175,000</u>
Total United States Department of Agriculture Direct Program			<u>175,000</u>
<b>Total Community Food Projects</b>			<u>175,000</u>
<b>Other Programs</b>			
<b>United States Department of Agriculture Pass-Through Programs</b>			
<b>Passed through Ohio Association of Foodbanks</b>			
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants		10.580	110,924
Total Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants			<u>110,924</u>
Total Passed through Ohio Association of Foodbanks			<u>110,924</u>
Total United States Department of Agriculture			<u>110,924</u>
<b>Department of Health and Human Services Pass-Through Programs</b>			
<b>Passed through Franklin County Job &amp; Family Services</b>			
Temporary Assistance to Needy Families (Food Purchase & Distribution Costs)		93.558	150,000
Total Temporary Assistance for Needy Families			<u>150,000</u>
Total Passed through South Central Ohio Job & Family Services			<u>150,000</u>
<b>Passed through Ohio Association of Foodbanks</b>			
Social Services Block Grant (Administrative Costs)		93.667	41,924
Social Services Block Grant (Food Commodities)		93.667	359,755
Total Social Services Block Grant			<u>401,679</u>
Temporary Assistance to Needy Families (Administrative Costs)		93.558	366,671
Temporary Assistance to Needy Families (Food Commodities)		93.558	3,146,435
Total Temporary Assistance to Needy Families			<u>3,513,106</u>
Total Passed through Ohio Association of Foodbanks			<u>3,914,785</u>
Total Department of Health and Human Services			<u>4,064,785</u>
<b>Department of Homeland Security Pass-Through Programs</b>			
<b>Passed through United Way of Franklin County</b>			
Emergency Food and Shelter National Board Program	30-6672-00 LRO 002	97.024	24,987
Total Emergency Food and Shelter National Board Program			<u>24,987</u>
Total Passed-through United Way of Franklin County			<u>24,987</u>
Total Department of Homeland Security			<u>24,987</u>
<b>Total Other Programs</b>			<u>4,200,696</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 11,451,607</u>

**MID-OHIO FOODBANK**  
**NOTES TO THE CONSOLIDATED SCHEDULE OF**  
**EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Mid-Ohio Foodbank under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**NOTE B – 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Organization has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – FOOD DONATION PROGRAM**

The Organization reports commodities consumed on the Schedule at the entitlement value. At June 30, 2017, the organization had food commodities totaling \$626,059 in inventory, comprised of CFDA 10.565 - \$310,989 and CFDA 10.569 - \$315,070 which are excluded from this schedule.

**MID-OHIO FOODBANK  
 NOTES TO THE CONSOLIDATED SCHEDULE OF  
 EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2017**

<b>NOTE D – SUBRECIPIENTS</b>
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The Organization passes certain federal awards (commodities) received to other not-for-profit agencies (subrecipients). As a subrecipient, the Organization has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards/commodities as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

These distributions were included in the schedule of federal expenditures of federal awards under CFDA Numbers 93.558, 93.667, 10.565 and 10.569. The distribution of commodities to subrecipients is reflected below:

<b>Subrecipients ≥ \$200k</b>	<b>CFDA 93.558</b>	<b>CFDA 93.667</b>	<b>CFDA 10.565</b>	<b>CFDA 10.569</b>	<b>Total</b>
Total	\$3,146,435	\$359,755	\$1,510,658	\$4,377,344	\$9,394,192

**MID-OHIO FOODBANK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Section I — Summary of Auditors' Results</b>
-------------------------------------------------

***Financial Statements***

Type of auditor's report issued:

**Unmodified**

Internal control over financial reporting:

- |                                           |       |     |       |          |               |
|-------------------------------------------|-------|-----|-------|----------|---------------|
| • Material weakness(es) identified?       | _____ | yes | _____ | <b>X</b> | no            |
| • Significant deficiency(ies) identified? | _____ | yes | _____ | <b>X</b> | none reported |

Noncompliance material to financial statements noted?

_____	yes	_____	<b>X</b>	no
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***Federal Awards***

Internal control over major programs:

- |                                           |       |     |       |          |               |
|-------------------------------------------|-------|-----|-------|----------|---------------|
| • Material weakness(es) identified?       | _____ | yes | _____ | <b>X</b> | no            |
| • Significant deficiency(ies) identified? | _____ | yes | _____ | <b>X</b> | none reported |

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

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

_____	yes	_____	<b>X</b>	no
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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.565	Commodity Supplemental Food Program
10.568	Emergency Food Assistance Program (Administrative costs)
10.569	Emergency Food Assistance Program (Food Commodities)

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

\$ 750,000

Auditee qualified as low-risk auditee?

_____	<b>X</b>	yes	_____	no
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**MID-OHIO FOODBANK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

(Continued)

<b>Section II — Financial Statement Findings</b>
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None reported

<b>Section III — Federal Award Findings and Questioned Costs</b>
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None reported