

**SOUTHEAST MISSOURI  
FOOD BANK, INC  
SIKESTON, MISSOURI**

**For the Year Ended December 31, 2020**

**ANNUAL FINANCIAL REPORT**

**SEMO CPA Company  
*Certified Public Accountants*  
715 Clark Street  
Cape Girardeau, MO 63701-7317  
573-335-1456**

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SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Missouri Corporation)  
Sikeston, Missouri

For the Year Ended December 31, 2020

ANNUAL FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Southeast Missouri Food Bank, Inc.  
Sikeston, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of Southeast Missouri Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement,

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Missouri Food Bank, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year 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 schedules 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 taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of Southeast Missouri Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe

the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southeast Missouri Food Bank, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Missouri Food Bank, Inc.'s internal control over financial reporting and compliance.

SEMO CPA COMPANY, LLC

*SEMO CPA Company, LLC*

Cape Girardeau, Missouri  
October 27, 2021

INDEPENDENT AUDITORS' 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  
Southeast Missouri Food Bank, Inc.  
Sikeston, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southeast Missouri Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Southeast Missouri Food Bank, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Missouri Food Banks, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southeast Missouri Food Bank, 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2019-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southeast Missouri Food Bank, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Southeast Missouri Food Bank, Inc.'s Response to Findings**

Southeast Missouri Food Bank, Inc.'s responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Southeast Missouri Food Bank, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of the 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.

SEMO CPA COMPANY, LLC

*SEMO CPA Company, LLC*

Cape Girardeau, Missouri  
October 27, 2021



FINANCIAL STATEMENTS

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

STATEMENT OF FINANCIAL POSITION

For the Years Ended December 31, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 3,809,026	\$ 1,451,251
Investments	4,145,214	3,317,719
Accounts Receivable: Government Programs	628,071	579,454
Accounts Receivable: Agencies	26,273	29,349
Inventory	2,238,841	1,567,364
Other Receivables	39,100	19,626
Prepaid Expenses	486,081	21,118
Other Assets	150	150
Total Current Assets	\$ 11,372,756	\$ 6,986,031
<u>PROPERTY AND EQUIPMENT:</u>		
Land	\$ 109,750	\$ 109,750
Buildings	3,206,218	3,192,859
Office Equipment	212,996	161,765
Machinery and Equipment	1,563,698	1,257,036
Total Property and Equipment	\$ 5,092,662	\$ 4,721,410
Less - Accumulated Depreciation	(1,902,380)	(1,631,812)
Net Property and Equipment	3,190,282	3,089,598
 TOTAL ASSETS	 \$ 14,563,038	 \$ 10,075,629
 <u>LIABILITIES AND NET ASSETS:</u>		
Accounts Payable	\$ 27,021	\$ 29,224
Accrued Expenses	61,971	43,486
Total Liabilities	\$ 88,992	\$ 72,710
 <u>NET ASSETS:</u>		
Without donor restrictions		
Undesignated	\$ 11,598,941	\$ 8,122,125
Contributed Food	2,010,686	1,498,882
Total without donor restrictions	13,609,627	9,621,007
With donor restrictions	864,420	381,912
 TOTAL NET ASSETS	 14,474,047	 10,002,919
 TOTAL LIABILITIES AND NET ASSETS	 \$ 14,563,038	 \$ 10,075,629

The Accompanying Notes to Financial Statements  
Are an Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

STATEMENT OF ACTIVITIES

For the Years Ending December 31, 2020 and 2019

	2020			2019
<u>REVENUES, GAINS AND SUPPORT:</u>	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Public Support:</u>				
Feeding America Commodities	\$ 11,938,100		\$ 11,938,100	\$ 12,246,228
USDA Commodities	8,001,245		8,001,245	2,645,169
CSFP Commodities	1,622,122		1,622,122	1,285,337
USDA Grants	530,705		530,705	298,560
CSFP Grant	367,444		367,444	356,889
Temporary Assistance for Needy Families Grant	970,867		970,867	1,026,667
Missouri Foundation for Health Grants			-	-
Other Private Grants	2,844,999		2,844,999	303,814
Donations	1,131,345	482,508	1,613,853	919,518
Total Grants	\$ 27,406,827	\$ 482,508	\$ 27,889,335	\$ 19,082,182
<u>Other Revenue:</u>				
Shared Maintenance Fees	\$ 745,288	\$ -	\$ 745,288	\$ 502,787
Registration Fees	3,175	-	3,175	3,075
Interest Income	32,666	-	32,666	27,418
Dividend Income	33,421	-	33,421	28,299
Realized Capital Gains	90,024	-	90,024	76,994
Unrealized Capital Gains	352,627	-	352,627	282,574
Miscellaneous Income	94,914	-	94,914	58,560
Total Other Sources	\$ 1,352,115	\$ -	\$ 1,352,115	\$ 979,707
 TOTAL REVENUES, GAINS, AND SUPPORT	 \$ 28,758,941	 \$ 482,508	 \$ 29,241,449	 \$ 20,061,889
 Net Assets Released from Restrictions	 \$ -	 \$ -	 \$ -	 \$ -
 <u>EXPENSES:</u>				
<u>Program Services:</u>				
Agency Based Food Program	\$ 23,279,752	\$ -	\$ 23,279,752	\$ 17,803,011
School Based Food Program	129,567	-	129,567	224,086
Mobile Food Program	187,163	-	187,163	188,322
<u>Supporting Services:</u>				
Management and General	870,424	-	870,424	473,951
Fund Raising	303,415	-	303,415	368,968
 TOTAL EXPENSES	 \$ 24,770,321	 \$ -	 \$ 24,770,321	 \$ 19,058,338
 CHANGE IN NET ASSETS	 \$ 3,988,620	 \$ 482,508	 \$ 4,471,128	 \$ 1,003,551
 NET ASSETS, January 1,	 9,621,007	 381,912	 10,002,919	 8,999,368
 NET ASSETS, December 31,	 \$ 13,609,627	 \$ 864,420	 \$ 14,474,047	 \$ 10,002,919

The Accompanying Notes to Financial Statements  
Are an Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ending December 31, 2020

	2020					Supporting Services				Total
	Program Services					Supporting Services				
	Agency Based Food Program	School Based Food Program	Mobile Food Program	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total		
<b>EXPENSES:</b>										
Salaries and Wages	\$ 526,384	\$ 23,251	\$ 72,612	\$ 622,247	\$ 123,150	\$ 133,823	\$ 256,973	\$ 879,220		
Employee Benefits and Taxes	78,770	4,335	11,204	94,309	17,536	24,194	41,730	136,039		
Food Distribution	21,874,255	97,633	45,476	22,017,363	91,910	-	91,910	22,109,273		
Fleet Operation and Maintenance	112,877	1,333	24,270	138,480	-	-	-	138,480		
Utilities	22,998	1,035	7,765	31,798	12,897	-	12,897	44,695		
Trash Removal	2,795	36	480	3,311	154	-	154	3,465		
Pest Control	7,252	121	1,628	9,001	867	-	867	9,868		
Warehouse	100,296	156	2,027	102,478	-	2,660	2,660	105,138		
Rent	243	5	66	314	64	-	64	378		
Insurance	25,920	574	6,280	32,774	6,266	-	6,266	39,040		
Office Supplies and Postage	9,189	105	1,626	10,920	2,457	11,097	13,554	24,473		
Bank Service Charge	22	-	-	22	66	5,481	5,547	5,569		
Direct Mail Expense	-	-	-	-	-	103,771	103,771	103,771		
Fundraising Event	-	-	-	-	-	15,524	15,524	15,524		
Telephone and Internet	10,012	207	2,772	12,992	2,197	-	2,197	15,189		
Travel	12,428	-	-	12,428	3,914	-	3,914	16,342		
Disaster Relief	176,625	-	-	176,625	-	-	-	176,625		
Computer	12,839	162	2,213	15,214	3,175	-	3,175	18,389		
Professional Fees	3,876	199	2,884	6,959	538,817	-	538,817	545,776		
Employee Training	668	2	30	700	44	588	632	1,332		
Repairs and Maintenance	21,245	353	4,854	26,452	9,646	-	9,646	36,098		
Conference and Seminars	-	10	144	154	1,796	75	1,871	1,871		
Advertising	-	-	-	-	-	6,102	6,102	6,256		
Loss on Disposal	-	-	-	-	-	-	-	-		
Bad Debt	4,244	-	-	4,244	-	-	-	4,244		
Miscellaneous	13,279	51	832	14,163	13,157	100	13,257	27,420		
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 23,016,217</b>	<b>\$ 129,567</b>	<b>\$ 187,163</b>	<b>\$ 23,332,948</b>	<b>\$ 828,113</b>	<b>\$ 303,415</b>	<b>\$ 1,131,528</b>	<b>\$ 24,464,475</b>		
Depreciation Expense	263,535	-	-	263,535	42,311	-	42,311	305,846		
<b>TOTAL EXPENSES</b>	<b>\$ 23,279,752</b>	<b>\$ 129,567</b>	<b>\$ 187,163</b>	<b>\$ 23,596,483</b>	<b>\$ 870,424</b>	<b>\$ 303,415</b>	<b>\$ 1,173,839</b>	<b>\$ 24,770,321</b>		

The Accompanying Notes to Financial Statements  
Are and Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ending December 31, 2019

	2019							
	Program Services			Supporting Services				
	Agency Based Food Program	School Based Food Program	Mobile Food Program	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total
<b>EXPENSES:</b>								
Salaries and Wages	\$ 553,002	\$ 37,769	\$ 49,223	\$ 639,994	\$ 136,764	\$ 153,845	\$ 290,609	\$ 930,603
Employee Benefits and Taxes	93,071	5,179	7,542	105,792	23,648	26,379	50,027	155,819
Food Distribution	16,577,764	174,876	64,951	16,817,591	87,572	-	87,572	16,905,163
Fleet Operation and Maintenance	97,455	1,781	23,407	122,643	-	-	-	122,643
Utilities	22,726	645	6,282	29,654	11,154	-	11,154	40,808
Trash Removal	2,675	37	362	3,074	131	-	131	3,205
Pest Control	9,581	193	1,868	11,642	1,039	-	1,039	12,681
Warehouse	55,402	315	3,431	59,148	-	2,476	2,476	61,624
Rent	278	5	56	339	70	-	70	409
Insurance	26,746	703	6,334	33,783	5,753	-	5,753	39,536
Office Supplies and Postage	9,779	283	2,243	12,305	2,008	2,401	4,409	16,714
Bank Service Charge	10	-	-	10	30	3,679	3,709	3,719
Direct Mail Expense	-	-	-	-	-	146,743	146,743	146,743
Fundraising Event	-	-	-	-	-	18,950	18,950	18,950
Telephone and Internet	11,353	254	2,493	14,100	2,205	-	2,205	16,305
Travel	11,834	-	-	11,834	18,281	6,559	24,840	36,674
Website	1,614	72	742	2,428	1,245	-	1,245	3,673
Computer	9,192	215	2,095	11,502	1,915	-	1,915	13,417
Professional Fees	3,077	235	2,414	5,726	113,893	354	114,247	119,973
Employee Training	517	8	70	595	136	-	136	731
Repairs and Maintenance	56,384	1,448	14,145	71,977	17,252	-	17,252	89,229
Conference and Seminars	-	-	-	-	4,861	1,100	5,961	5,961
Advertising	-	28	255	283	-	4,410	4,410	4,693
Loss on Disposal	13,076	-	-	13,076	2,308	-	2,308	15,384
Bad Debt	-	-	-	-	933	-	933	933
Miscellaneous	6,023	40	409	6,472	3,612	2,072	5,684	12,156
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	\$ 17,561,559	\$ 224,086	\$ 188,322	\$ 17,973,967	\$ 434,810	\$ 368,968	\$ 803,778	\$ 18,777,745
Depreciation Expense	241,452	-	-	241,452	39,141	-	39,141	280,593
<b>TOTAL EXPENSES</b>	\$ 17,803,011	\$ 224,086	\$ 188,322	\$ 18,215,419	\$ 473,951	\$ 368,968	\$ 842,919	\$ 19,058,338

The Accompanying Notes to Financial Statements  
Are and Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2020 and 2019

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ 4,471,128	\$ 1,003,551
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	305,846	280,593
Unrealized Gains on Investments	(352,627)	(282,574)
Gain on Sales of Fixed Assets	-	(10,011)
Loss on Disposal of Fixed Assets	4,473	15,384
Bad Debt Expense	4,244	933
(Increase) Decrease in:		
Accounts Receivable-Government Programs	(48,617)	(5,601)
Accounts Receivable-Agencies	(1,168)	(6,989)
Inventory	(671,477)	31,435
Other Receivables	(19,474)	5,373
Prepaid Expenses	(464,963)	(8,156)
Other Current Assets	-	-
Increase (Decrease) in:		
Accounts Payable	(2,203)	(78,288)
Accrued Expenses	18,485	(10,535)
	<u>18,485</u>	<u>(10,535)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 3,243,646	 \$ 935,115
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of Property and Equipment	\$ (411,003)	\$ (167,647)
Proceeds from Sale of Fixed Assets	-	10,011
Proceeds from Sale of Investments	1,203,864	840,000
Purchase of Investments	(1,678,732)	(1,406,274)
	<u>(1,678,732)</u>	<u>(1,406,274)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 \$ (885,871)	 \$ (723,910)
 NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	 \$ -	 \$ -
 NET INCREASE (DECREASE) IN CASH EQUIVALENTS	 \$ 2,357,775	 \$ 211,205
 CASH AND CASH EQUIVALENTS, January 1,	 <u>1,451,251</u>	 <u>1,240,046</u>
 CASH AND CASH EQUIVALENTS, December 31,	 <u>\$ 3,809,026</u>	 <u>\$ 1,451,251</u>
 INTEREST PAID	 <u>\$ -</u>	 <u>\$ -</u>

The Accompanying Notes to Financial Statements  
Are an Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Missouri Corporation)  
Sikeston, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of major accounting policies of Southeast Missouri Food Bank, Inc. (the Organization) is presented to assist the reader in evaluating the financial statements and other information contained in this report.

A. Nature of Organization:

Southeast Missouri Food Bank, Inc. is a Missouri not-for-profit corporation formed in 1985, established to collect, warehouse, and distribute salvageable food to social service agencies for onsite feeding and emergency food box programs to feed needy people in Southeast Missouri. Noncash food donations account for approximately 87% of the total revenue and support of the Organization. The Feeding America network provides the majority of the food commodities. The Organization also receives funding from the United States Department of Agriculture (USDA) through two programs entitled The Emergency Food Program (TEFAP), and the Commodity Supplemental Food Program (CSFP). The programs provide food commodities as well as funds to cover administrative costs.

The following are the primary programs of the Food Bank:

General Food Distribution is the Food Bank's core program and includes the distribution of food and products to charitable agencies located throughout 16 counties in Southeast Missouri.

Mobile Food Program is a mobile food pantry that travels to various sites in Southeast Missouri distributing food to individuals and families in need.

School Based Food Program called Backpacks for Fridays and ABC School Pantry were established at various schools in Southeast Missouri to provide food to children and families who were identified as in need.

The Food Bank obtains funding from the following contracts with government agencies:

The Emergency Food Assistance Program (TEFAP) provides emergency food assistance to residents of Southeast Missouri through qualified agencies and is partially

funded by the United States Department of Agriculture (USDA) through its agent, the Missouri Department of Social Services.

USDA Commodity Supplement Food Program (CSFP) allows the Food Bank to distribute supplement food to low-income seniors age 60 and older who are especially vulnerable to health problems resulting from general and continued hunger due to insufficient foods. CSFP is partially funded by the USDA through its agent, the Missouri Department of Social Services.

Other nongovernmental programs at the Food Bank include:

Retail Store Donation Program is designed to sort salvage donation from local retailers. Products from the program are distributed to charitable agencies.

Backpacks for Friday Program (BFF) provides a package of healthy, nutritious food for eligible school aged children every weekend during the school year to target hunger experiences by children during the weekend. The program is privately funded.

A Better Childhood Program (ABC) is a mobile school pantry. The program provides an accessible source of food to hungry impoverished children at a familiar location and safe environment.

Truck to Table Mobile Food Pantry provides an increased access to food with non-typical food pantry hours. Most mobile distributions are held after 5 pm during the work week and on Saturday.

Farm to Food Bank Procedure Program engages a network of farms to provide hungry Southeast Missourian with fresh, local produce. Through produce donations, farms help supply good, nutritious food to food-insecure communities across Southeast Missouri.

B. Basis of Accounting:

Basis of accounting refers to when revenues received, and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The policy is to prepare financial statements on the accrual basis of accounting. Accrual basis of accounting recognizes transactions when they occur, regardless of the timing of the related cash flows.



C. Property and Equipment:

Property and equipment are recorded at cost if purchased and estimated fair value if donated. The property and equipment are depreciated using the straight-line method over their estimated useful lives. Assets with cost of more than \$2,500 are capitalized.

	<u>Years</u>
Buildings	31.5
Leasehold Improvements	Lease Term
Office Equipment	3-7
Machinery and Equipment	5-7

D. Financial Statement Presentation:

The Organization adopted Accounting Standards Update (ASU) 2016-14, *Not for Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* January 1, 2018. Under ASU 2016-14, requires net assets to be classified into two categories: net assets with donor restrictions and net assets without donor restrictions based upon the existence or absence of donor-imposed restrictions. The effects of reclassifying the net assets for the period presented did not materially impact the presentation on the financial statements.

The Organization also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

The Organization reports gifts and furnishing and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash that must be used to acquire long-lived assets are reported as restricted support.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

E. Donated Services and Facilities:

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. Volunteers worked approximately 4,824 hours during the year. The value of volunteer services was not recognized in the financial statements

since they did not meet the criteria of requiring specialized skills. The Organization generally pays for services requiring a specific expertise.

F. Fair Value of Financial Instruments:

The Organization's financial instruments are cash, investments, accounts receivable, notes receivable, and accounts payable. The recorded values of cash, accounts receivable, accounts payable, and notes receivable approximate their fair values based on their short-term nature.

G. Cash and Cash Equivalents:

The Organization considers all investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2020, there were no cash equivalents.

H. Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

I. Management's Use of Estimates:

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

J. Income Taxes:

The Organization qualifies as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. The Organization is not a foundation. The Organization is subject to a tax on income from unrelated business activities. For the year ended December 31, 2020, the Organization had no unrelated business income. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The tax returns are subject to examination by the respective taxing authorities, generally for three years after they are filed. The returns for 2018, 2019, and 2020 are still considered open years subject to possible examination.

K. Accounts Receivable:

Accounts receivables represent amounts due from other organizations for invoiced food and reimbursable expenses that have not yet been collected. A provision for doubtful accounts has not been established as management considers all accounts to be collectible. Management has elected to record bad debt expense using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of using the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

L. Advertising Costs:

Advertising costs are expensed as incurred. Advertising expense totaled \$7,719 for 2020.

M. Planned Major Maintenance Activities:

Planned major maintenance activities are accounted for on the direct expense method.

N. Inventory:

Most inventories are donated to the Organization. The Organization records donated inventory at the estimated fair market value. The federal commodities are valued at the estimated fair market value. The federal commodities are valued at the estimated amount provided by USDA. All other donated inventory is valued at a price per pound estimate obtained from Feeding America. Inventory that is purchased is recorded at cost.

O. Functional Allocation of Expenses:

The costs of providing the Food Bank's various programs and other activities have been summarized on a functional basis in the Statement of Activities and detailed in the Statement of Functional Expenses. Certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

P. Subsequent Events:

The Organization has evaluated the existence of subsequent events through October 27, 2021 which represents the date the financial statements were available to be issued.

2. CASH

The Organization holds cash at several financial institutions insured under the Federal Deposit Insurance Corporation (FDIC). At December 31, 2020, the carrying amount of the Organization's deposits were \$3,809,026 and the bank balance of \$3,669,275 were fully insured by the FDIC. The Organization maintains petty cash funds totaling \$262. Cash at financial institutions and petty cash total \$3,809,288 at December 31, 2020.

3. PROPERTY AND EQUIPMENT

At December 31, 2020, the costs and related accumulated depreciation of land, buildings, and equipment consisted of the following:

	Cost	Accumulated Depreciation	Net
Land	\$ 109,750	\$ -	\$ 109,750
Buildings	3,206,218	704,753	2,501,465
Office Equipment	212,996	99,857	113,139
Machinery Equipment	1,563,698	1,097,770	465,928
Total	<u>\$ 5,092,662</u>	<u>\$ 1,902,380</u>	<u>\$ 3,190,282</u>

Depreciation for 2020 was \$305,846 and for 2019 \$280,593.

The Food Bank owns a refrigerated cargo van that was donated to them in 2008 by the Feeding America network. The Organization cannot sell, trade, or give away the van without the written permission of the grantor.

4. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization's operations are limited to the food receipt and distribution market. In addition, the Organization is subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, the USDA. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by the USDA. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

5. RISK OF LOSS

The Organization is exposed to risk of loss through their property ownership, employee injury, and general liability. Commercial insurance policies have been purchased to

overcome these risks. There have been no reductions in coverages from the prior year. Also, there have been no settlement amounts that have exceeded insurance coverage.

The Organization is insured under a retrospectively rated policy for workers' compensation coverage. Therefore, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2020, there were no significant adjustments in premiums based on actual experience.

## 6. CONTRIBUTIONS

The Southeast Missouri Food Bank, Inc. is a qualified charitable organization under Section 50(c)(3) of the Internal Revenue Code, and accordingly, contributions received by the Organization are generally tax deductible by the donor.

## 7. INVENTORY

The Organization maintains an inventory of donated food items. The Organization distributes food items to over 200 various agencies that provide on-site feeding or emergency food assistance programs.

The weight of donated food received from the USDA totaled 3,354,634 lbs. in 2020. The Organization distributed 3,144,677 lbs. of USDA food during 2020. The total weight of ending inventory-USDA food consists of the following at December 31, 2020:

Total Weight (lbs.) of Ending Inventory-USDA	411,096 lbs.
Value of USDA Ending Inventory-Detail Obtained from USDA Price List	\$ 483,307

The weight of donated food received from the Commodity Supplemental Food Program totaled 1,805,610 lbs. in 2020. The Organization distributed 1,718,446 lbs. of CSFP food during 2020. The total weight of ending inventory-CSFP food consists of the following at December 31, 2020:

Total Weight (lbs.) of Ending Inventory-CSFP	513,661 lbs.
Value of USDA Ending Inventory-Detail Obtained from CSFP Price List	\$ 498,833

Donated food received from Feeding America and local organizations totaled \$7,519,115 lbs. in 2020. The Organization distributed 7,494,374 lbs. of Feeding America food during 2020. The total weight of ending inventory-Feeding America food consists of the following at December 31, 2020:

Total Weight (lbs.) of Ending Inventory-Feeding America	619,871 lbs.
Value of Feeding America Ending Inventory-1.74 per lb.	\$ 1,077,498
Ending Inventory Purchased	\$ 102,409
Ending Inventory Purchased for the School Based And Mobile Programs	<u>\$ 76,794</u>
Total Inventory	<u>\$ 2,238,841</u>

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Organization purchased services for payroll preparation and information technology services from a company owned by a member of the board of directors. The total amount of services was \$14,420 during 2020.

During the year ended December 31, 2020, the Organization purchased services for printing from a company owned by a member of the board of directors. The total amount of services was \$2,550 during 2020.

9. USDA-DONATED FOODS

The Southeast Missouri Food Bank, Inc. is operating under an agreement with the State of Missouri, whereby they assume responsibility for warehousing, handling, and distributing USDA-donated foods available under the Temporary Emergency Food Assistance Program and the Commodity Supplemental Food Program. No shared maintenance fee is charged for the foods distributed under these programs. However, the Organization receives monthly disbursements from the State of Missouri for operating expenses incurred in the distribution of this food, which totaled \$898,149 for the year. These donated foods pass through the Organization to its charitable beneficiaries.

10. LEASES

The Organization leases equipment on an as needed basis. Equipment rent for 2020 was \$378.

11. NON CASH TRANSACTIONS

Donated Food

The Food Bank receives donated food and it is included on the financial statement as follows:

USDA Commodities	\$ 3,734,809
------------------	--------------

CSFP Commodities	1,622,122
Feeding America Commodities	<u>11,938,100</u>
	<u>\$ 17,295,031</u>

## 12. DONOR RESTRICTIONS

The net assets with donor restrictions from grant funds were unspent at year end. The funds are restricted for use in the following grant programs for the following purpose or time restrictions.

Restricted for Lighting Replacement	\$ 345,260
Backpack for Fridays Program	304,550
Mobile Food Pantry Program	<u>214,610</u>
Total Net Assets with Donor Restrictions	<u>\$ 864,420</u>

## 13. RETIREMENT PLAN

The Organization adopted a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA retirement plan during 2011. The plan requires the Organization to contribute a matching contribution equal to the employee's salary reduction contribution up to a limit of 3 percent of their compensation for the calendar year. All contributions are fully vested and nonforfeitable. The employer contribution for the year ended December 31, 2020 was \$19,420.

## 14. PAID TIME OFF

The Organization's policy is to accrue paid time off hours on the basis of hours worked and is payable when an employee takes time off or terminates employment. Paid time off pay has been accrued for those hours earned and not taken as of December 31, 2020. As of December 31, 2020, accrued paid time off totaled \$42,950. Employees can accumulate paid time off pay beyond one year. A maximum of 10 days of paid time off may be accumulated.

## 15. SHARED MAINTENANCE FEES

The Organization receives fees from participating agencies to assist in the cost of distributing food by the Organization. These shared maintenance fees are based on predetermined rates. For the year ended December 31, 2020, such fees totaled \$745,288.

## 16. INVESTMENTS

The Organization's investment securities carried at fair value based on a quoted price in active markets (all Level 1 measurements), at December 31, 2020 consist of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Annuities	\$ 200,070	\$ 200,070
Bonds	100,000	100,130
Certificates of Deposit	650,716	650,716
Mutual Funds	<u>2,666,821</u>	<u>3,194,298</u>
Total Investments	<u>\$ 3,617,607</u>	<u>\$ 4,145,214</u>

Investment income is composed of the following for the year ended December 31, 2020:

Interest and Dividends	\$ 63,387
Net Realized Gains (Loss)	90,024
Net Unrealized Gains (Loss)	<u>352,626</u>
Total Investments	<u>\$ 506,037</u>



SUPPLEMENTAL INFORMATION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Southeast Missouri Food Bank, Inc.  
Sikeston, Missouri

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

We have audited Southeast Missouri Food Bank, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southeast Missouri Food Bank, Inc.'s major federal programs for the year ended December 31, 2020. Southeast Missouri Food Bank, Inc.'s major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Southeast Missouri Food Bank, 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 Titles 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 included examining, on a test basis, evidence about Southeast Missouri

Food Bank, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit proves a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southeast Missouri Food Bank, Inc.'s compliance.

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

In our opinion, Southeast Missouri Food Bank, Inc. 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 December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of Southeast Missouri Food Bank, 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 Southeast Missouri Food Bank, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southeast Missouri Food Bank, 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SEMO CPA COMPANY, LLC

*SEMO CPA Company, LLC*

Cape Girardeau, Missouri  
October 27, 2021

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Cape Girardeau, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Expenditures
U.S. DEPARTMENT OF AGRICULTURE:					
Trade Mitigation Program:					
Administrative Costs (1)	10.178	Missouri Dept of Social Services		\$ 131,137	\$ -
<b>Food Distribution Cluster:</b>					
Commodity Supplemental Food Program:					
Administrative Costs (1)	10.565	Missouri Dept of Health and Senior Services	CS200683005	\$ 367,444	\$ -
Food Commodities (1)	10.565	Missouri Dept of Health and Senior Services	CS200683005	1,650,312	1,650,312
				<u>2,017,756</u>	<u>1,650,312</u>
Emergency Food Assistance Program:					
Administrative Costs (1)	10.568	Missouri Dept of Social Services	ER113170005	\$ 399,568	\$ -
Food Commodities (1)	10.569	Missouri Dept of Social Services	ER11317005	1,983,640	1,983,640
				<u>2,383,208</u>	<u>1,983,640</u>
Emergency Food Assistance Program:					
Food Commodities (1)	10.569	Missouri Dept of Social Services	Trade Mitigation	\$ 1,557,160	\$ 1,557,160
<b>Total Food Distribution Cluster:</b>				<u>\$ 5,958,124</u>	<u>\$ 5,191,112</u>
Promoting Food Security Plan	10.561	Feeding America	ER108120100	\$ 43,522	\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>\$ 6,132,783</u>	<u>\$ 5,191,112</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:					
Emergency Food and Shelter National Board Program	97.024		548600-002	\$ 61,024	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 6,193,807</u>	<u>\$ 5,191,112</u>

(1) Identified Major Program

The Accompanying Notes to Financial Statements  
Are an Integral Part of This Statement.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Sikeston, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the Uniform Guidance. The Uniform Guidance requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA) and identification of programs that have not been assigned a CFDA number as "Other Assistance".

The Schedule includes all expenditures of federal awards administered by Southeast Missouri Food Bank, Inc.

B. Basis of Presentation:

The Schedule is presented in accordance with the Uniform Guidance, which defines federal awards as "...assistance that non-federal entities receive or administer in the forms of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

C. Basis of Accounting:

Except as noted below, the Schedule is presented on the accrual basis of accounting, which recognized transactions when they occur, regardless of the timing of the related cash flows.

D. Non Cash Food Commodities:

Amounts for the Emergency Food Assistance Program – Food Commodities (CFDA Number 10.569) and Commodity Supplemental Food Program – Food Commodities (CFDA Number 10.565) represent the dollar value assigned to commodities based on prices provided by the Missouri Department of Social Services and Missouri Department of Health and Senior Services.

E. Subrecipients:

Of the federal expenditures presented in the Schedule of Expenditure of Federal Awards, Southeast Missouri Food Bank, Inc. provided federal awards of food commodities to subrecipients as follows: CFDA Number 10.565 and 10.569 in the amounts of \$1,650,312 and \$3,540,800 respectively.

SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Sikeston, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

1. SUMMARY OF AUDITORS' RESULTS

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ yes X no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.565	Commodity Supplemental Food Program: Administrative Costs
10.565	Commodity Supplemental Food Program: Food Commodities
10.568	Emergency Food Assistance Program: Administrative Costs
10.569	Emergency Food Assistance Program: Food Commodities

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.178	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: \_\_\_\_\_ yes  no

2. FINANCIAL STATEMENT FINDINGS:

2019-001 Segregation of Duties

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and related accounting records, or to all phases of a transaction.

*Condition:* Employees have access to both physical assets and the related accounting records, or to all phases of a transaction.

*Questioned Cost:* None

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Cause:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in the report.

*Views of Responsible Officials:* The limited number of available personnel prohibits segregation of duties of incompatible duties. Procedures were implemented to improve the segregation of duties through increased staffing and division of responsibilities allowing implementation of additional monitoring procedures.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No findings or questioned costs were noted that are required to be reported.



SOUTHEAST MISSOURI FOOD BANK, INC.  
(A Nonprofit Corporation)  
Sikeston, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2020

1. FINANCIAL STATEMENT FINDINGS

2018-001 Segregation of Duties:

Employees have access to both physical assets and the related accounting records, or to all phases of a transaction.

Recommendation:

The Organization should review the bank reconciliation and financial statements against the underlying supporting documents on a monthly basis to monitor the individuals with access to both physical assets and the related accounting records.

Status:

Monitoring procedures implemented.

2. FEDERAL AWARD FINDINGS

No findings or questioned costs were noted that are required to be reported in the prior year.