

**TOLEDO SEAGATE FOODBANK**

**FINANCIAL STATEMENTS**

**AND**

**AUDIT REPORTS**

**YEAR ENDED: SEPTEMBER 30, 2021**



# TOLEDO SEAGATE FOODBANK

## TABLE OF CONTENTS

	PAGE
Accountant's Report .....	1
Financial Statements	
Balance Sheets .....	3
Statement of Activities .....	5
Statement of Changes in Cash Flow .....	7
Statement of Functional Expenditures	
Program Services .....	10
Notes to Financial Statements .....	12
Schedule of Federal Financial Assistance .....	30
Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with government Auditing Standards .....	33
Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	35
Schedule of Findings and Questioned Costs .....	38

Board of Directors  
Toledo Seagate Foodbank  
526 High St.  
Toledo, Ohio 43609

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

I have audited the accompanying financial statements of Toledo Seagate Foodbank, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal year then 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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 judgment, 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Toledo Seagate Foodbank, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters****Other Information**

My 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated May 15, 2021, on my consideration of Toledo Seagate Foodbank, Inc.'s internal control over financial reporting and on my 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 my 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 Toledo Seagate Foodbank, Inc.'s internal control over financial reporting and compliance.

**Ronald W. Coon, Sr.**

Ronald W. Coon, Sr, MPPA.

Certified Public Accountant

Diplomate, American Board of Forensic Accounting

Certified Fraud Examiner

Fellow, American College of Forensic Examiners Institute

April 26, 2022

**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents (Note 8)	901,699	0	901,699
Cash - Board Imposed Rest (Note 12)	2,762	0	2,762
Cash - Short Term	881,693	0	881,693
Receivables (Gross/Net)	21,450	0	21,450
Grants Receivable	474,988	0	474,988
Interest Receivable	456	0	456
Other Receivables	1,062	0	1,062
Inventory (Note 6)	179,021	1,290,325	1,469,346
Grants Awarded	<u>0</u>	<u>931,527</u>	<u>931,527</u>
Total Current Assets	2,463,131	2,221,852	4,684,983
<b>Non-Current Assets</b>			
Investments (Note 11)	832,125	0	832,125
Property and Equipment (Note 7)	1,369,244	0	1,369,244
<b>Other Assets</b>			
Prepays	14,991	0	14,991
Deposits	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>14,991</u>	<u>0</u>	<u>14,991</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,679,491</u></b>	<b><u>\$ 2,221,852</u></b>	<b><u>\$ 6,901,343</u></b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

# TOLEDO SEAGATE FOODBANK

## LIABILITIES & NET ASSETS

### LIABILITIES

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
<b>Current Liabilities</b>			
Accounts Payable	0	0	0
Taxes Payable	1,906	0	1,906
Accrued Payroll	17,107	0	17,107
Accrued Payroll Taxes	1,309	0	1,309
Current Portion of Long Term Debt	0	0	0
Current Portion of Long Term Lease	3,951	0	3,951
Unearned Revenue	<u>0</u>	<u>931,527</u>	<u>931,527</u>
<b>Total Current Liabilities</b>	<b>24,273</b>	<b>931,527</b>	<b>955,800</b>
<b>Long Term Liabilities</b>			
Lease Obligation Payable (Note 19)	<u>2,305</u>	<u>0</u>	<u>2,305</u>
<b>Total Long Term Liabilities</b>	<b><u>2,305</u></b>	<b><u>0</u></b>	<b><u>2,305</u></b>
<b>TOTAL LIABILITIES</b>	<b>26,578</b>	<b>931,527</b>	<b>958,105</b>

### NET ASSETS

Comprehensive Income	12,923	0	12,923
Without Donor Restrictions	4,639,990	0	4,639,990
With Donor Restrictions	<u>0</u>	<u>1,290,325</u>	<u>1,290,325</u>
<b>TOTAL NET ASSETS</b>	<b>4,652,913</b>	<b>1,290,325</b>	<b>5,943,238</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 4,679,491</u></b>	 <b><u>\$ 2,221,852</u></b>	 <b><u>\$ 6,901,343</u></b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF ACTIVITIES**  
**FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
<b>SUPPORT</b>			
Donations	362,612	0	362,612
In-Kind Donations	2,292,107	0	2,292,107
Food Distributions	0	6,761,476	6,761,476
Grants	111,166	1,270,148	1,381,314
Fund-Raising (net of \$22,501 costs)	30,993	0	30,993
Basket Revenue	100,805	0	100,805
Other Support Revenue	78,645	0	78,645
Interest and Dividends	17,473	0	17,473
Net Assets Released from Restriction	<u>7,982,963</u>	<u>(7,982,963)</u>	<u>0</u>
<b>TOTAL SUPPORT REVENUE</b>	<b>10,976,764</b>	<b>48,661</b>	<b>11,025,425</b>
<b>OPERATING EXPENDITURES</b>			
<b>Programs</b>			
Product Distributions	8,567,142	0	8,567,142
Program Related Expenditures	<u>1,547,348</u>	<u>0</u>	<u>1,547,348</u>
<b>Total Program Expenditures</b>	<b>10,114,490</b>	<b>0</b>	<b>10,114,490</b>
<b>Support Services</b>			
Management and General	41,953	0	41,953
Fund-Raising	<u>59,247</u>	<u>0</u>	<u>59,247</u>
<b>Total Support Services</b>	<b>101,200</b>	<b>0</b>	<b>101,200</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**



**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF ACTIVITIES (cont'd)**  
**FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
Other Operating Expenditures			
Depreciation	109,451	0	109,451
Interest	817	0	817
	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Operating Expenditures	<u>110,268</u>	<u>0</u>	<u>110,268</u>
 Total Operating Expenditures	 10,325,958	 0	 10,325,958
 Net Operating Income	 650,806	 48,661	 699,467
Non-Operating Expenditures			
Decrease in Value of Investments	6,703	0	6,703
	<u>6,703</u>	<u>0</u>	<u>6,703</u>
Change in Net Assets	657,509	48,661	706,170
Beginning Net Assets	3,995,404	1,241,664	5,237,068
Ending Net Assets	\$ <u>4,652,913</u>	\$ <u>1,290,325</u>	\$ <u>5,943,238</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF CHANGES IN CASH FLOW**  
**FOR YEAR ENDED SEPTEMBER 30, 2021**

**OPERATING ACTIVITIES**

Cash Inflows		
From Donations	362,612	
From Food & Basket Distributions	101,495	
From Interest Income	17,473	
Received from Other Revenue	109,638	
From Grants	<u>1,320,850</u>	
Total Cash Inflows	1,912,068	
Cash Outflows		
Paid for Inventory	53,017	
Paid Wages	462,547	
Paid Interest	817	
Paid Program Services	<u>734,945</u>	
Total Cash Outflows	<u>1,251,326</u>	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		660,742

**INVESTING ACTIVITIES**

Cash Inflows		
NONE		
Cash Outflows		
Asset Acquisition	212,633	
Investment Purchases	<u>0</u>	
Total Cash Outflows	212,633	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		( 212,633)

**FINANCING ACTIVITIES**

Cash Outflows		
Capital Lease Payments	3,951	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		<u>( 3,951)</u>

NET CASH FLOWS FROM ALL ACTIVITIES 444,158

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF CHANGES IN CASH FLOW (cont'd)**  
**FOR YEAR ENDED SEPTEMBER 30, 2021**

NET CASH FLOWS FROM ALL ACTIVITIES	444,158
BEGINNING CASH OCTOBER 1, 2020	<u>1,341,996</u>
ENDING CASH SEPTEMBER 30, 2021	\$ <u>1,786,154</u>

**NON-CASH TRANSACTIONS**

Donated Inventory	1,637,567
Donated Supplies	276,054
Donated Wages (Note 2, 20)	<u>378,486</u>
TOTAL NON-CASH TRANSACTIONS	<u>\$ 2,292,107</u>

TOLEDO  
SEAGATE  
FOODBANK

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

*This page is  
intentionally left blank*

TOLEDO  
SEAGATE  
FOODBANK

**TOLEDO SEAGATE FOODBANK**  
**STATEMENT OF FUNCTIONAL EXPENDITURES - PROGRAM SERVICES**  
**FOR YEAR ENDED SEPTEMBER 30, 2021**  
**SCHEDULE 1**

FUNCTIONAL EXPENDITURES	PROGRAM SERVICES	ADMIN.	FUND- RAISING	TOTALS (Memo)
Wages	802,238	17,986	16,312	836,536
Payroll Taxes	41,035	920	834	42,789
Supplies	11,068	248	225	11,541
Staff Training	3,740	84	76	3,900
Utilities	70,161	1,573	1,427	73,161
Telephone	25,016	561	509	26,085
Alarm Services	1,534	34	31	1,601
Real Estate Taxes	4,404	99	90	4,592
Advertising (Note 4)	25,211	1,265	32,359	58,834
Printing	9,055	203	184	9,442
Sub-Recipients	0	0	0	0
Dues & Publications	1,251	28	25	1,304
Professional Fees	27,505	617	559	28,681
Licenses & Fees	1,472	33	30	1,535
Bank Charges	3,198	72	65	3,335
Laundry & Uniforms	0	0	0	0
Refuse Disposal	9,928	223	202	10,352
Insurance	35,928	805	731	37,464
Maintenance	143,913	3,226	2,926	150,066
Program Expenses	189,483	4,163	0	193,646
Office Supplies	2,839	64	58	2,960
Postage	3,649	82	74	3,805
Employee Benefits	61,551	1,380	1,252	64,182
Equipment Rental	19,409	435	395	20,239
Information Technologies	10,319	6,879	0	17,198
Vehicle Expenses	<u>43,443</u>	<u>974</u>	<u>883</u>	<u>45,300</u>
<b>TOTAL FUNCTIONAL EXP.</b>	<b>1,547,348</b>	<b>41,953</b>	<b>59,247</b>	<b>1,648,548</b>

Program Services is further delineated in Note 18.

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

*This page is  
intentionally left blank*

TOLEDO  
SEAGATE  
FOODBANK

# TOLEDO SEAGATE FOODBANK

## NOTES TO FINANCIAL STATEMENTS

### Note 1: **ORGANIZATION**

ORGANIZATION - The Toledo Seagate Foodbank (Organization) has been granted the status as a non-profit Corporation in the State of Ohio and 5739.02 (B)(12) of the Ohio Revised Code. The Organization was formed primarily for the purpose of charitable distribution of food for the needy.

NATURE OF BUSINESS - Toledo Seagate Foodbank activities include providing food and other products to those who are in need of food in Northwest Ohio. The Organization also provides outreach services, nutrition education and assistance to those in need.

### Note 2: **SIGNIFICANT ACCOUNTING POLICIES**

BASIS OF ACCOUNTING - The financial statements of Toledo Seagate Foodbank have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

DEFERRED REVENUE - Income from grants is deferred and recognized over the periods to which the grants earned.

EXPENDITURE ALLOCATION - Expenditures are charged to programs and supporting services on the basis of periodic time and expenditure studies. Management and general expenditures include those expenditures that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

INCOME TAX STATUS - Toledo Seagate Foodbank is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 2

Note 2: **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

INCOME TAX STATUS (cont'd) Management of the Organization is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Management of the organization is not aware of any tax positions for which it is reasonably possible that the total amounts of the unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to , new tax laws, regulations, and administrative interpretations (including relevant court decisions). Toledo Seagate Foodbank's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

DONATED GOODS - A number of Companies, Individuals and Organizations have contributed significant goods to the Organization. The value of these goods are determined at a weighted average price per pound of goods donated. (\$1,611,045). The financial statements do reflect a substantial portion of their value, since these goods are integral to the Organization fulfilling it's mission statement. Those goods donated that are missed would represent an immaterial portion with regard to the financial statements taken as a whole.

DONATED SERVICES - A number of people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do reflect a substantial portion of their value (\$26,725 or 1,076 hours), since their services are integral to the Organization fulfilling it's mission statement. The value is based upon the "National Value of Volunteer Time" for the State of Ohio at the rate of \$24.83. The youth groups that donated time were valued at 49% of the Ohio rate in which it would be consistent with all of the National determination for Youth time values.



**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 3

Note 2: **SIGNIFICANT ACCOUNTING POLICIES**(cont'd)

DONATED PROPERTY AND EQUIPMENT - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight line method.

FUND ACCOUNTING - In order to ensure observance of limitations and restrictions placed on the resources available to the Corporation, the internal accounts of the Organization are maintained on accordance with principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Restricted funds maintained by the Organization and their objectives are as follows:

Community Development Block Grant (Toledo Subrecipient for Years 46 & 47) - Operating Grant used for the acquisition of food for the distribution for indigent households.

Ohio Department of Agriculture - Operating grant and Food distribution grant for operating expenditures and food distribution to those eligible.

ESTIMATES - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 4

Note 2: **SIGNIFICANT ACCOUNTING POLICIES**(cont'd)

UNCONDITIONAL PROMISES TO GIVE - The unconditional promises to give outstanding are to be received within one year period. The following are the unconditional promises to give as of September 30, 2021 and are treated as Grants awarded and deferred revenue on the financial statements. Department of Agriculture \$1,222,648; and Community Development Block Grant (CDBG) \$47,500; totaling \$1,270,148.

RESTRICTED AND UNRESTRICTED REVENUE - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in Net Assets with Donor Restrictions column. When a restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and is reported in the Statement of Activities as net assets released from restrictions.

CONDITIONAL PROMISES TO GIVE - Conditional Promises to give, which depend on the occurrence of a specified future and certain event to bind the promisor, shall be recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

RECENT ACCOUNTING PRONOUNCEMENTS - In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this ASU make certain improvements that address many, but not all, of the identified issues about the current financial reporting for Not-for-Profit (NFP) entities. Under the new guidance, financial statements and noted disclosure requirements for NFP entities include the following:

1. Present on the face of the statements of financial position net assets with and without donor restrictions.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 5

Note 2: **SIGNIFICANT ACCOUNTING POLICIES**(cont'd)

2. Present on the statements of activities additional operation measures.
3. Present on the statements of activities investment return, net of external and internal investment expenses.
4. Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method.
5. Enhanced disclosures that provide quantitative and qualitative information about liquidity management.
6. Enhanced disclosures that provide information on allocation of functionalized expenses.

The amendments in ASU-2016-14 are effective for the Organization beginning on January 1, 2021, with early adoption permitted. Management has elected to early adopt this standard for the fiscal year ended September 30, 2019 and has determined that the effects of adopting this ASU are not material to its financial statements.

The fiscal year 2021 financial statements have been adjusted to reflect retrospective application of the new accounting guidance, except for the disclosures around liquidity and availability of resources and analysis of expenses by functional and natural categories. These disclosures have been presented for 2021 as allowed by ASU No. 2016-14.

Note 3: **LIQUIDITY AND AVAILABILITY**

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$600,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 6

Note 3: **LIQUIDITY AND AVAILABILITY** (cont'd)

SHORT TERM ASSETS - The Organization has \$2,284,110 of short term financial assets available within one year of the financial position date to meet cash needs for general expenditure consisting of cash of \$1,786,154, contribution pledge receivable of \$0, and accounts receivable of \$497,956. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial position date. The contribution receivables are subject to implied time restrictions but are expected to be collected within one year.

LONG TERM ASSETS - The Organization owns real property consisting primarily warehouse space in one building and a mixture of warehouse and office space in the other. Three modulars are utilized for the various programs of the Organization.

LINE OF CREDIT - As part of its liquidity management, the Organization has no plans to secure a line of credit at this time. These additional funds could be available in the event of an any unanticipated liquidity needs. The Organization could also invest any cash in excess of daily requirements into interest bearing bank accounts or investments, in which it does. The Organization also plans to invest cash in excess of daily requirements in other short-term investments including certificates of deposit and short-term treasury instruments.

ENDOWMENTS - The Center does not have an endowment fund at this time. No appropriations for the endowment will be available during the next 12 months

Note 4: **ADVERTISING**

ADVERTISING - All advertising costs are expended in the year in which incurred and no amounts have not been capitalized.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 7

**Note 5: ACCOUNTING CHANGE**

The Organization has chosen to adopt FASB ASC 958 et. seq. One fiscal year early which is permitted by the AICPA guidelines. The adoption period is for fiscal/calendar years beginning after December 15, 2018. These financial statement cover the periods from October 1, 2019 through September 30, 2021, which is the required period, though the Organization elected to adopt early this provision.

**BASIS OF PRESENTATION** - The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization adopted Topic 958 2016-14 *Presentation of Financial Statements of Non-Profit Entities* which reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

**Net Assets Without Donor Restrictions** - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

**Net Assets With Donor Restriction** - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

**Note 6: INVENTORY**

Substantially all of the Organization's inventory is either distributed or donated. Distributions from the Department of Agriculture amounted to \$6,525,069. An additional \$1,637,567 was donated through various food drives, area merchants and distributors. In relationship to the acquisition of inventory distributed, \$88,024 was purchased.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 8

Note 6: **INVENTORY** (cont'd)

Inventories are stated at the lower of cost or net realizable value. These values were determined by both the retail cost method and the first-in, first-out method. The inventories that was distributed by the department of Agriculture (\$1,290,325) are computed on the first-in, first-out method. The inventories donated (\$179,021) were computed by the gross profit method.

Note 7: **PROPERTY AND EQUIPMENT**

The Property, Plant and Equipment for the organization are generally purchased with unrestricted net assets. Some of these assets are leased/purchased using restricted funding. Even though the funding agency may have the right to reclaim any assets so purchased with restricted funds, the funding agency treats leased assets as sunk costs. Since the Organization negotiates a favorable lease arrangement, the funding agency usually does not interfere with that arrangement.

Expenditures for property, equipment, and improvements are capitalized at cost. Equipment expenditures of \$1,000 or less are charged to expense. Ordinary repairs and maintenance are charged to expense when incurred. Donated assets are capitalized, and recorded as support, at their fair value at the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 9

Note 7: **PROPERTY AND EQUIPMENT** (cont'd)

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are as follows:

	Years
Office Furniture	5-7
Equipment	5-7
Vehicles	5-10
Buildings	40-60
Building Improvements	40-60
Modular	20-25

	BASIS	ACC DEP'N	NET
Land	25,960	0	25,960
Building	409,250	118,300	290,950
Building Improvements	653,973	271,777	382,196
Modular	115,786	53,875	61,911
Furniture & Fixtures	21,408	14,580	6,828
Equipment	502,033	160,661	341,372
Software	52,507	22,067	30,440
Vehicles	<u>546,986</u>	<u>317,399</u>	<u>229,587</u>
<b>TOTALS</b>	<b><u>2,327,903</u></b>	<b><u>958,659</u></b>	<b><u>1,369,244</u></b>

Depreciation for the period was \$109,451.

Note 8: **CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, all cash accounts are considered cash and cash equivalents.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 10

**Note 8: CASH AND CASH EQUIVALENTS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeding the federally insured limits (\$250,000) totaled \$1,536,153.

**Note 9: BOARD IMPOSED RESTRICTIONS**

The Capital Projects Fund is properly classified as a Restriction on Net Assets in the amount of \$2,762. There were no outstanding debts on this restriction. These funds were utilized for the completion of any current and/or future Capital Projects for the Organization.

**Note 10: THIRD PARTY REIMBURSEMENTS**

The Organization receives funding from the City of Toledo Department of Housing and Neighborhood Revitalization which is directly funded by federal Community Development Block Grant monies, through the Department of Housing and Urban Development. In 2021, less than 0.329% of the total Organization's funding was through this program. This grant is awarded on an annual basis and not automatically renewed each year.

**Note 11: INVESTMENT SECURITIES**

The Organization adopted ASC 320, Accounting for Certain Investments Held by Non-Profit Organizations. Under ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.



**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 11

Note 11: INVESTMENT SECURITIES (cont'd)

The Organization also adopted ASC 820, *Fair Value Measurements*. Under ASC 820, the establishment of a fair value hierarchy divided into three levels. As described below:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.  |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>▶ Quoted prices for similar assets or liabilities in active markets;</li><li>▶ Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>▶ Inputs other than quoted prices that are observable for the asset or liability</li><li>▶ Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.  |

Following is a description of the valuation methodologies used for Investments measured at fair value. There have been no changes in the methodologies used at September 30, 2021

*Common stocks, corporate bonds and U.S. government securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 12

Note 11: INVESTMENT SECURITIES (cont'd)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual Funds	232,037	0	0	232,037
Common Stocks	0	0	0	0
Corporate Bonds	<u>593,470</u>	<u>0</u>	<u>0</u>	<u>593,470</u>
	<u>832,125</u>	<u>0</u>	<u>0</u>	<u>832,125</u>

	<u>COST</u>	<u>FAIR VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
Mutual Funds - Cash	232,037	232,037	0
Common Stocks	0	0	0
Bonds - Long Term	<u>593,470</u>	<u>600,088</u>	<u>6,618</u>
TOTALS	<u>825,507</u>	<u>832,125</u>	<u>6,618</u>

Management has elected to determine these investments as "Hold till Maturity" and therefore the maturities of the various bonds range from 2021 through 2023. Interest payments are made annually on anniversary dates.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 13

Note 11: INVESTMENT SECURITIES (cont'd)

The following amounts are used for the financial statements under the basis of the Lower of Cost or Market:

	COST	FINANCIAL STATEMENTS	UNREALIZED GAIN/LOSS
Mutual Funds - Cash	232,037	232,037	0
Common Stocks	0	0	0
Bonds - Long Term	593,470	600,088	6,618
<b>TOTALS</b>	<b>825,507</b>	<b>832,125</b>	<b>6,618</b>

Net Unrealized Gain/Losses consist of the following:

Net Unrealized Loss from other Investments	6,618
	6,618

Investment return is summarized as follows:

Dividend Income	0
Interest Income	17,473
Net Realized Gains/Losses	0
Net Unrealized Gains/Losses	6,618
<b>NET INVESTMENT INCOME</b>	<b>\$ 24,091</b>

Note 12: MEASURE OF OPERATIONS

In the statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment Income, including net realized and unrealized gains and losses, earned in excess of the Organization's aggregate authorized spending amount, and contributions to temporarily and permanently restricted net assets are recognized as nonoperating support revenues, gains, and losses.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 14

**Note 13: FUND-RAISING EXPENSES**

The Organization allocates 1.95% of the overall expenses to fund-raising with the exception of Advertising, which is allocated at 55%. The Organization determined that 62% of the total fund-raising expenditures (\$36,746) would be for retention of funding. The balance (\$22,501) would be for true recruitment of additional funding.

**Note 14: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 26, 2022, the date the financial statements. Subsequent Events are those events subsequent to the balance sheet date and audit report date that would materially affect the future fiscal condition of the Organization.

On March 31, 2022, the Organization purchased a building for the expansion of their warehouse capabilities. The cost of (\$380,000) was paid for by a grant and the funds held in escrow until closing. The net effect of the transaction on the financial statements is zero.

**Note 15: RETIREMENT PLANS**

The Organization participates in a retirement plan under section 403(b) of the Internal Revenue Code. The plan covers substantially all employees who may make voluntary contributions in amounts not to exceed limitations imposed by the Internal Revenue Code. The Organization currently does not contribute to the plan for each participant.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 15

**Note 16: THIRD PARTY FUND-RAISING EVENTS**

Certain area businesses have sponsored fund-raising for the Organization. These third-party businesses have paid for all of the expenses that generated these contributions, both cash and non-cash, which was not disclosed to the Organization. These events are:

	Cash	Non-Cash
Stuff the Truck	4,533	0
Milk Money	1,177	0
Giving Tuesday	0	0
No Show	19,895	0
Scamble for Food	25,683	0
Mobile Market	0	0
Pack the Pick-up	<u>2,206</u>	<u>14,862</u>
Totals	53,494	14,862

The Organization treats these third party events as donations and the previous mentioned amounts were included in the Cash Donations and In-Kind Donations respectively..

**Note 17: CONTINGIENCIES**

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. We were considered an essential business by the Federal Government Guidance on Essential Businesses During COVID-19 Outbreak (issued March 18, 2020 and updated March 23, 2020) and the Governor of the State of Ohio, and have remained open since the outbreak. At this point, the extent to which COVID-19 may impact our financial condition or results of operations cannot be determined at this time.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 16

**NOTE 18: PROGRAM RELATED COSTS**

	TEFAP et al	Trade Mit.	CSFP	CARES	CDBG	Support	TOTALS
Wages	389,751	17,774	217,240	0	0	218,508	843,273
Fringes	19,619	1,867	16,007	0	0	24,058	61,551
Office Supplies	12,800	173	10,238	0	0	0	23,211
Program Supplies	73,846	5,404	43,005	0	47,500	3,005	172,760
Repairs	41,199	2,364	37,427	0	0	22,247	103,237
Services	22,286	0	18,390	0	0	0	40,676
Utilities	30,489	6,232	24,540	0	0	10,434	71,695
Equipment	0	0	0	0	0	19,409	19,409
Professional Fees	12,310	834	7,153	0	0	7,208	27,505
Marketing	9,875	9,162	6,174	0	0	0	25,211
Workers Comp	0	0	0	0	0	0	0
Information Tech	4,618	0	2,684	0	0	3,017	10,319
Telephone	11,196	759	6,506	0	0	6,555	25,016
Fuel & Transportation	18,006	5,675	1,608	0	0	18,154	43,443
Truck Repair	0	0	0	0	0	0	0
Insurance	35,928	0	0	0	0	0	35,928
Supplies	3,426	0	2,878	0	0	4,764	11,068
Lease	0	0	0	0	0	0	0
Sub-Recipients	0	0	0	0	0	0	0
Other Expenditures	7,190	0	8,564	0	0	17,292	33,046
Depreciation	<u>48,986</u>	<u>0</u>	<u>28,465</u>	<u>0</u>	<u>0</u>	<u>32,000</u>	<u>109,451</u>
	<u>741,525</u>	<u>50,244</u>	<u>430,879</u>	<u>0</u>	<u>47,500</u>	<u>386,651</u>	<u>1,656,799</u>

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FINANCIAL STATEMENTS**

Page 17

Note 19: **LEASES**

The Organization leases the following assets:

Sharp MX 4070N Copier in the amount of \$329 per month expiring May 28, 2023. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities

The following is an analysis of the leased asset that is included in the Property and Equipment schedule in Note 6.

Office Equipment	\$ 16,068	
Future minimum lease payments under operating leases that have remaining terms in excess of one year as of September 30, 2021		
Years Ending September 30,	2022	3,951
	2023	<u>2,305</u>
Total Lease Obligation		<u>6,256</u>

Note 20: **OPERATION "STEADY RESOLVE"**

Since the outbreak of the COVID-19 pandemic, the volunteer labor has dropped dramatically. To assist the area agencies that provide a vital service to the Community, the organization received assistance through Operation Steady Resolve under Task Force Viale. This Task Force provided both local Army and Air Force reserves to help in assisting the Organization due to the drop in volunteer help. These Reservists provided 12,863 hours which was deemed invaluable to the Organization as well as the Community.

*This page is  
intentionally left blank*

TOLEDO  
SEAGATE  
FOODBANK



**TOLEDO SEAGATE FOODBANK**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ending SEPTEMBER 30, 2021**

**Federal Financial Assistance**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Program Title	CFDA #	Grant Amount	Current Year's Expenditures
CDBG 46 <sup>th</sup> & 47 <sup>th</sup> Year 2020-2021; 2021-2022 CFDA # 14.228	14.228	47,500	47,500

**DEPARTMENT OF VETERANS AFFAIRS**

Program Title	CFDA #	Grant Amount	Current Year's Expenditures
Veterans Assistance	64.110	42,560	42,676

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Program Title	CFDA #	Grant Amount	Current Year's Expenditures
TANF	93.558	0,000	125,000

*Note: The expenditures for this grant go to sub-recipients*

**DEPARTMENT OF AGRICULTURE**

Program Title	CFDA #	Grant Amount	Current Year's Expenditures
<i>Passed through Ohio State Department of Job and Family Services (ODJFS)</i>			

TFAP	10.568	741,525	741,525
Trade Mitigation	10.568	50,244	50,244
CSFP	10.565	430,879	430,879
TEFAP FFCRA	10.568	0	0

Food Distributions:

TFAP	10.569	4,268,502	3,464,475
Trade Mitigation	10.569	822,910	1,326,411
CARES	10.569	236,406	236,406
CSFP	10.565	1,433,657	1,535,559
TOTAL CLUSTER		<u>7,984,123</u>	<u>7,785,499</u>
TOTAL DEPT OF AGRICULTURE		<u>7,984,123</u>	<u>7,785,499</u>

FEDERAL PROGRAM TOTALS		<u>\$ 8,074,183</u>	<u>\$ 8,000,675</u>
------------------------	--	---------------------	---------------------

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FEDERAL FINANCIAL ASSISTANCE**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of activity of the Organization's federal award programs. The schedule has been prepared on the accrual basis of accounting.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles of 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 are not allowable or are limited in reimbursement. The Organization has elected not to use the 10 percent de-minimus indirect cost rate as allowed under the Uniform Guidance.

Product Distributions are valued by the unit as per the price schedule issued by the Department Agriculture. Costs of the distributions are valued on the First-in, First-out basis and is valued at the lower of cost or market.

**NOTE 2: MATCHING REQUIREMENTS**

Certain Federal programs may require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Organization was not required to provide matching funds at this time. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE 3: RELEASE OF EXPENDITURES**

Certain Federal programs may require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Organization was not required to provide matching funds at this time. The Schedule does not include the expenditure of non-Federal matching funds.

**TOLEDO SEAGATE FOODBANK**  
**NOTES TO FEDERAL FINANCIAL ASSISTANCE**

Page 2

**NOTE 4: DEPARTMENT OF VETERANS AFFAIRS**

The amounts that are paid and granted from the Department of Veterans Affairs are included in the Schedule of Expenditures of Federal Awards for reporting under Uniform Guidance. In the Financial Statements, these are treated as Support for Basket Distributions and the respective costs are included in the Cost of Goods Sold.

**NOTE 5: RECONCILIATION**

Amounts Released from Restrictions	\$ 8,000,675
Department of Veterans Affairs	\$ 42,676
Restricted fund from Capital Projects	<u>0</u>
Total Adjustments	<u>42,676</u>
Total Federal Program Expenditures (rounding)	<u><u>\$ 7,832,999</u></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**

Board of Trustees  
Toledo Seagate Foodbank, Inc.  
526 High St..  
Toledo, Ohio 43609

I 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 Toledo Seagate Foodbank, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 26, 2022.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Toledo Seagate Foodbank, 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Toledo Seagate Foodbank, Inc's internal control. Accordingly, I do not express an opinion on the effectiveness of Toledo Seagate Foodbank, 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.

Toledo Seagate Foodbank, Inc.  
REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Toledo Seagate Foodbank, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

Respectfully submitted,

**Ronald W. Coon, Sr.**

Ronald W. Coon, Sr, MPPA.  
Certified Public Accountant  
Diplomate, American Board of Forensic Accounting  
Certified Fraud Examiner  
Fellow, American College of Forensic Examiners Institute

April 26, 2022



Board of Directors  
Toledo Seagate Foodbank  
526 High St.  
Toledo, Ohio 43609

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

I have audited Toledo Seagate Foodbank, Inc's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Toledo Seagate Foodbank, Inc's major federal programs for the fiscal year ended September 30, 2021. Toledo Seagate Foodbank, Inc'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Toledo Seagate Foodbank, Inc's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Toledo Seagate Foodbank, Inc's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

Toledo Seagate Foodbank, Inc.  
REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Toledo Seagate Foodbank, Inc's compliance.

**Opinion on Each Major Federal Program**

In my opinion, Toledo Seagate Foodbank, 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 September 30, 2021.

**Report on Internal Control Over Compliance**

Management of Toledo Seagate Foodbank, 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 my audit of compliance, I considered Toledo Seagate Foodbank, 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, I do not express an opinion on the effectiveness of Toledo Seagate Foodbank, Inc's internal control over compliance.

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

Page 3

Toledo Seagate Foodbank, Inc.  
REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

Respectfully submitted,

**Ronald W. Coon, Sr.**

Ronald W. Coon, Sr, MPPA.

Certified Public Accountant

Diplomate, American Board of Forensic Accounting

Certified Fraud Examiner

Fellow, American College of Forensic Examiners Institute

April 26, 2022



**TOLEDO SEAGATE FOODBANK**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ending September 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § 2 CFR 200.516 (a)?	No
(d)(1)(vii)	Major Programs (list): Commodity Supplemental Food Program The Emergency Food Assistance Program Trade Mitigation	Ohio Department of Agriculture-CFDA# 10-565, CFDA# 10.568(2) & CFDA# 10.569(2)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low risk Auditee?	Yes

*This page is  
intentionally left blank*

TOLEDO  
SEAGATE  
FOODBANK