

***Food Bank of Lincoln, Inc.
and Food Bank of Lincoln Foundation
Lincoln, Nebraska***

June 30, 2021 and 2020

***Consolidated Financial Statements
and
Independent Auditor's Report***



CPAs & Consultants | Wealth Management

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

Years ended June 30, 2021 and 2020

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-18
Supplemental Information	
Consolidating Statements of Financial Position	20-21
Consolidating Statements of Activities	22-23
Consolidating Statements of Expenses	24-25
Schedule of Capital Campaign Activity	26-27
Schedule of Expenditures of Federal Awards	28-29
Single Audit Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33-34
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	35-36
Schedule of Findings and Questioned Costs	37-38
Summary Schedule of Prior Audit Findings	39
Corrective Action Plan	40



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Food Bank of Lincoln, Inc.
and Food Bank of Lincoln Foundation
Lincoln, Nebraska

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position, activities, and expenses and the schedule of capital campaign activity are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, on our consideration of the Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's internal control over financial reporting and compliance.



Lincoln, Nebraska
October 20, 2021

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents, undesignated (note A)	\$ 3,684,328	\$ 4,498,671
Cash and cash equivalents, restricted (note A)	4,714,198	1,316,428
Certificates of deposit	1,580,498	572,357
Accounts receivable (note A)	8,915	10,997
Pledges receivable, current portion (notes A and C)	783,976	316,863
Grants receivable (note A)	845,419	251,409
Prepaid expenses	57,623	14,815
Inventory, purchased (note A)	661,171	440,779
Inventory, donated (notes A and D)	<u>1,064,533</u>	<u>1,031,723</u>
Total current assets	<u>13,400,661</u>	<u>8,454,042</u>
PROPERTY AND EQUIPMENT, net (notes A and E)	<u>4,281,020</u>	<u>934,071</u>
OTHER ASSETS		
Pledges receivable, less current portion (notes A and C)	612,650	100,000
Investments (notes A, D and F)	<u>1,423,704</u>	<u>1,139,248</u>
Total other assets	<u>2,036,354</u>	<u>1,239,248</u>
Total assets	<u>\$ 19,718,035</u>	<u>\$ 10,627,361</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 839,071	\$ 307,556
Agency credits	1,073	2,030
Payroll taxes payable	7,746	4,595
Accrued wages	67,113	74,898
Accrued vacation	<u>60,821</u>	<u>55,943</u>
Total current liabilities	<u>975,824</u>	<u>445,022</u>
NET ASSETS (note A)		
Without donor restrictions		
Undesignated	12,725,806	7,645,342
Board designated (note B)	185,117	142,309
With donor restrictions (note B)	<u>5,831,288</u>	<u>2,394,688</u>
Total net assets	<u>18,742,211</u>	<u>10,182,339</u>
Total liabilities and net assets	<u>\$ 19,718,035</u>	<u>\$ 10,627,361</u>

See accompanying notes to consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended June 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Value of contributed inventory (note A)	\$ 15,815,991	\$ -	\$ 15,815,991	\$ 14,493,403	\$ -	\$ 14,493,403
Contributions (note H)	4,551,896	8,448,180	13,000,076	3,792,387	3,468,319	7,260,706
In-kind goods and services (notes A and I)	134,878	-	134,878	103,512	-	103,512
Governmental program support	4,167,793	-	4,167,793	1,040,932	-	1,040,932
Investment income (note F)	310,416	-	310,416	84,960	-	84,960
Agency cooperative purchasing and fees	56,801	-	56,801	121,096	-	121,096
Miscellaneous	5,170	-	5,170	8,670	-	8,670
Net assets released from restrictions (note A)	5,011,580	(5,011,580)	-	2,402,204	(2,402,204)	-
Total revenue and support	30,054,525	3,436,600	33,491,125	22,047,164	1,066,115	23,113,279
EXPENSES						
Program						
Operations	20,615,835	-	20,615,835	16,543,744	-	16,543,744
Child Hunger	2,704,001	-	2,704,001	1,616,595	-	1,616,595
SNAP	223,025	-	223,025	223,609	-	223,609
BOP	23,444	-	23,444	61,992	-	61,992
Management and general	434,590	-	434,590	380,897	-	380,897
Fundraising	930,358	-	930,358	741,213	-	741,213
Total expenses	24,931,253	-	24,931,253	19,568,050	-	19,568,050
INCREASE IN NET ASSETS	5,123,272	3,436,600	8,559,872	2,479,114	1,066,115	3,545,229
Net assets at beginning of year	7,787,651	2,394,688	10,182,339	5,308,537	1,328,573	6,637,110
Net assets at end of year	<u>\$ 12,910,923</u>	<u>\$ 5,831,288</u>	<u>\$ 18,742,211</u>	<u>\$ 7,787,651</u>	<u>\$ 2,394,688</u>	<u>\$ 10,182,339</u>

See accompanying notes to consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2021

	Program				Total Program	Management and General	Fundraising	Total
	Operations	Child Hunger	SNAP	BOP				
Cost of food distributed or discarded	\$ 18,867,273	\$ 2,223,402	\$ -	\$ -	\$ 21,090,675	\$ -	\$ -	\$ 21,090,675
Food freight, storage, and fees	82,314	-	-	-	82,314	-	-	82,314
Food costs	<u>18,949,587</u>	<u>2,223,402</u>	<u>-</u>	<u>-</u>	<u>21,172,989</u>	<u>-</u>	<u>-</u>	<u>21,172,989</u>
Employee compensation	971,862	267,177	161,206	17,774	1,418,019	305,239	405,029	2,128,287
Pension contribution and fees (note J)	30,527	10,356	6,256	830	47,969	11,594	13,938	73,501
Professional fees	112,670	16,270	32,108	1,903	162,951	50,858	73,684	287,493
Office expenses, supplies and postage	89,392	8,887	2,962	325	101,566	45,889	43,842	191,297
Occupancy	110,551	131,792	6,811	804	249,958	12,659	12,159	274,776
Printing and promotion	54	5,720	4,111	-	9,885	-	254,825	264,710
Travel	17,430	-	190	1,525	19,145	283	5,460	24,888
Transportation	136,567	26,002	1,422	119	164,110	1,304	2,110	167,524
In-kind goods and services (notes A and D)	12,508	1,882	2,927	-	17,317	3,153	114,408	134,878
Miscellaneous	6,594	72	2,588	-	9,254	617	688	10,559
Agency	1,971	-	-	-	1,971	-	-	1,971
Operating expenses	<u>1,490,126</u>	<u>468,158</u>	<u>220,581</u>	<u>23,280</u>	<u>2,202,145</u>	<u>431,596</u>	<u>926,143</u>	<u>3,559,884</u>
Depreciation (notes A and E)	<u>176,122</u>	<u>12,441</u>	<u>2,444</u>	<u>164</u>	<u>191,171</u>	<u>2,994</u>	<u>4,215</u>	<u>198,380</u>
Total expenses	<u>\$ 20,615,835</u>	<u>\$ 2,704,001</u>	<u>\$ 223,025</u>	<u>\$ 23,444</u>	<u>\$ 23,566,305</u>	<u>\$ 434,590</u>	<u>\$ 930,358</u>	<u>\$ 24,931,253</u>



See accompanying notes to consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2020

	Program				Total Program	Management and General	Fundraising	Total
	Operations	Child Hunger	SNAP	BOP				
Cost of food distributed or discarded	\$ 15,087,503	\$ 1,025,808	\$ -	\$ -	\$ 16,113,311	\$ -	\$ -	\$ 16,113,311
Food freight, storage, and fees	146,882	21,768	-	-	168,650	-	-	168,650
Food costs	15,234,385	1,047,576	-	-	16,281,961	-	-	16,281,961
Employee compensation	743,423	319,917	163,826	28,878	1,256,044	286,292	355,604	1,897,940
Pension contribution and fees (note J)	23,539	10,134	6,359	1,326	41,358	10,231	13,719	65,308
Professional fees	57,902	16,886	25,730	13,991	114,509	33,663	44,632	192,804
Office expenses, supplies and postage	146,167	46,077	5,155	3,268	200,667	33,209	26,732	260,608
Occupancy	67,465	106,499	5,858	572	180,394	7,842	8,296	196,532
Printing and promotion	176	4,927	-	-	5,103	75	214,811	219,989
Travel	7,673	2,400	1,022	13,193	24,288	4,664	12,109	41,061
Transportation	116,651	20,943	747	81	138,422	26	451	138,899
In-kind goods and services (notes A and I)	8,902	24,044	12,230	-	45,176	403	57,933	103,512
Miscellaneous	287	3,765	-	500	4,552	1,266	2,358	8,176
Agency	2,723	-	-	-	2,723	-	-	2,723
Operating expenses	1,174,908	555,592	220,927	61,809	2,013,236	377,671	736,645	3,127,552
Depreciation (notes A and E)	134,451	13,427	2,682	183	150,743	3,226	4,568	158,537
Total expenses	\$ 16,543,744	\$ 1,616,595	\$ 223,609	\$ 61,992	\$ 18,445,940	\$ 380,897	\$ 741,213	\$ 19,568,050



See accompanying notes to consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from revenue and support	\$ 9,035,950	\$ 7,336,109
Cash paid to employees and suppliers	(8,542,675)	(4,492,965)
Investment income received	20,652	41,559
	<u>513,927</u>	<u>2,884,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(1,002,654)	-
Purchase of property and equipment	(3,548,910)	(87,627)
Purchase of investments	(67,950)	(531,650)
Proceeds from maturity or sale of investments	67,771	668,730
	<u>(4,551,743)</u>	<u>49,453</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for capital project	6,621,243	1,395,025
NET INCREASE IN UNDESIGNATED AND RESTRICTED CASH AND CASH EQUIVALENTS		
	2,583,427	4,329,181
Undesignated and restricted cash and cash equivalents, beginning of year	5,815,099	1,485,918
Undesignated and restricted cash and cash equivalents, end of year	<u>\$ 8,398,526</u>	<u>\$ 5,815,099</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 8,559,872	\$ 3,545,229
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	198,380	158,537
Realized and unrealized gains on investments	(284,277)	(35,296)
Reinvested earnings	(5,487)	(8,105)
Loss on disposal of equipment	3,581	-
Contributions restricted for capital project	(7,244,463)	(1,395,025)
(Increase) decrease in assets		
Accounts receivable	2,082	6,920
Pledges receivable	(356,543)	210,836
Grants receivable	(594,010)	83,034
Prepaid expenses	(42,808)	(9,704)
Inventory	(253,202)	98,249
Increase (decrease) in liabilities		
Accounts payable	531,515	193,200
Agency credits	(957)	(1,060)
Payroll taxes payable	3,151	2,231
Accrued wages	(7,785)	22,037
Accrued vacation	4,878	13,620
	<u>(8,045,945)</u>	<u>(660,526)</u>
Net cash provided by operating activities	<u>\$ 513,927</u>	<u>\$ 2,884,703</u>
Undesignated and restricted cash and cash equivalents are reported within the consolidated statements of financial position as follows:		
Cash and cash equivalents, undesignated	\$ 3,684,328	\$ 4,498,671
Cash and cash equivalents, restricted	4,714,198	1,316,428
	<u>\$ 8,398,526</u>	<u>\$ 5,815,099</u>

See accompanying notes to consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Food Bank of Lincoln, Inc. is a nonprofit corporation organized to meet the emergency food needs for the sixteen counties it serves in southeast Nebraska.

The Food Bank of Lincoln Foundation is a nonprofit corporation formed for the purpose of supporting the mission of the Food Bank of Lincoln, Inc.

The Food Bank of Lincoln serves as a key organization for receiving, inspecting, storing, and distributing donated and purchased food to nonprofit partner agencies who re-distribute such food to low-income clients in their local areas. The Food Bank of Lincoln operates as a single program but uses several methods for connecting the community to meals.

Operations. The Food Bank Operations department distributes food through its 49 non-profit partners in southeast Nebraska and mobile pantry distributions. The department is charged with the safe delivery of food to around 21,393 households a month.

Child Hunger. The Food Bank of Lincoln's Child Hunger programs partner with 112 schools in a 16-county area to distribute food through School Food Market and BackPack programs. The Organization also operates a Summer Food Service Program, which provides healthy meals to children and teens in low-income areas during summer months when school is not in session. Combined, it is estimated that the Child Hunger programs serviced 13,837 total households during the year ended June 30, 2021.

Snap Outreach. The Food Bank has two full-time SNAP Outreach employees who provide food stamp assistance in the Food Bank's 16-county service area. The SNAP Outreach team connects people to an estimated 1.5 million meals annually through food stamp outreach.

Bridges Out of Poverty. The Bridges Out of Poverty program provides periodic trainings to community groups, individuals, employers, and donors that provide a deeper understanding of the culture of poverty through innovative action and discussions related to the factors of economic class and tools for change that can lead to lowering poverty rates. The initiative also works specifically with low-income individuals through a class called Getting Ahead in a Just-Gettin' by World to help individuals gain more stability in their lives.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation, a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents. For purpose of the consolidated statements of cash flows, the Organization considers all undesignated and restricted highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the outstanding balances and current relationships with the entities involved, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Grants Receivable. The Organization is the recipient of grants to fund some of its programs. Reimbursement-basis grants are recorded as revenue when the related approved expenditures are made. Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history of grantors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Pledges Receivable. Contributions are recognized when the donor makes a pledge to give that is, in substance, unconditional. Unconditional pledges receivable that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows and included in pledges receivable.

Inventory. At June 30, 2021 and 2020, donated inventory items are valued at \$1.70 and \$1.49 per pound, respectively, which is the approximate average wholesale value of one pound of donated food at the national level as outlined in the Product Valuation Survey Methodology, December 31, 2020 and 2019, respectively, prepared by Feeding America, a national food bank network nonprofit corporation. RSM US LLP, has performed certain agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants solely to assist Feeding America with respect to determining the approximate average wholesale value of one pound of donated product at the national level. Their report is available upon request. Purchased inventory items are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Realized and unrealized gains and losses are included in the consolidated statements of activities.

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment and Depreciation. Property and equipment is carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed on the straight-line method. It is the Organization's policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. Property and equipment is depreciated over the following estimated useful lives:

Building	5 to 40 years
Equipment	5 years
Vehicles	5 years
Computers	5 years
Land Improvements	15 years

Net Asset Classification. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Revenue Recognition. The Organization is primarily funded through contributions, agency purchasing and governmental grants. Recognition policies are as follows:

Contributions

Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At June 30, 2021 and 2020, conditional contributions of \$275,000 and \$0, respectively, for which no amounts have been received in advance, have not been recognized in the accompanying consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Continued.

Agency Purchasing

The Organization enters into contracts with partner agencies to provide food product deliveries based on agency orders. Revenue is recognized for food purchases and product handling fees when the food products transfer upon delivery.

Governmental and Private Grants

The Organization is the recipient of federal, state, and private grants to fund its primary programs. Grants consist primarily of conditional grants, that is, those with a measurable performance or other barrier, and right of return. Grants are not recognized until the conditions on which they depend have been substantially met. Government grants are conditioned upon the incurrence of allowable qualifying expenses. Grants are recorded as revenue when the related approved expenditures are made. At June 30, 2021 and 2020, conditional reimbursement-basis grants of \$70,755 and \$143,949, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

Advertising. Advertising costs of the Organization are expensed as incurred. Advertising expense was \$239,988 and \$200,927 for the years ended June 30, 2021 and 2020, respectively.

In-Kind Donations. In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization.

Leases. Rental payments under agreements which meet the criteria of an operating lease are expensed when incurred.

Expense Allocation. The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the following basis:

Personnel expenses are allocated on the basis of each job function.

Building and occupancy costs are allocated on the basis of square footage.

Income Taxes. Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through activities not related to their exempt purpose is subject to income tax at normal corporate rates. For the years ended June 30, 2021 and 2020, the Organization had no tax liability on unrelated business activity. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2021, 2020 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

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

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - BOARD DESIGNATED AND NET ASSETS WITH DONOR RESTRICTIONS

Board designated net assets and net assets with donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Board designated net assets consist of the following:		
Board desinated reserve fund (prepaid expenses)	\$ 57,623	\$ 14,815
Board designated reserve fund (capital expenses)	<u>127,494</u>	<u>127,494</u>
	<u>\$ 185,117</u>	<u>\$ 142,309</u>
Net assets with donor restrictions consist of the following:		
Subject to purpose restrictions:		
Child Hunger	\$ 64,693	\$ 448,678
Capital campaign	5,194,753	1,359,262
United Way	-	57,142
Food Purchasing	132,446	43,041
Bridges Out of Poverty	254,164	255,164
Holiday Turkeys	603	23,957
Subject to time restrictions:		
Child Hunger	123,045	56,389
(a) United Way	38,945	38,945
Food Purchasing	-	42,114
Snap Outreach	19,139	-
Empty Bowls	3,500	51,996
ADF	-	<u>18,000</u>
	<u>\$ 5,831,288</u>	<u>\$ 2,394,688</u>

(a) These funds are also purpose restricted for the purchase of produce used for the Lincoln Mobile Distribution.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are due in the following periods:

<u>Years ending June 30,</u>	
2022	\$ 783,976
2023	416,815
2024	182,196
2025	8,487
2026	<u>5,152</u>
	<u>\$ 1,396,626</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2021 and 2020.

Donated inventory: Value determined based on the average wholesale value of one pound of donated product at the national level. See note A for further information on inventory valuation.

Bonds and equity securities: Valued at the closing price reported in the active market in which the security is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 tables set forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and 2020.

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021				
Assets				
Inventory, donated	\$ 1,064,533	\$ -	\$ 1,064,533	\$ -
Investments				
Bonds				
Corporate short-term	221,935	221,935	-	-
Corporate high yield	24,035	24,035	-	-
Treasury intermediate-term	143,866	143,866	-	-
Treasury world	22,897	22,897	-	-
Treasury inflation-protected	48,112	48,112	-	-
Equity securities				
Domestic large blend	545,139	545,139	-	-
Domestic mid-cap blend	76,588	76,588	-	-
Domestic small blend	110,043	110,043	-	-
Global diversified emerging markets	69,625	69,625	-	-
Global foreign large blend	161,464	161,464	-	-
Total investments	<u>1,423,704</u>	<u>1,423,704</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,488,237</u>	<u>\$ 1,423,704</u>	<u>\$ 1,064,533</u>	<u>\$ -</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - FAIR VALUE MEASUREMENTS - CONTINUED

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
June 30, 2020				
Assets				
Inventory, donated	\$ 1,031,723	\$ -	\$ 1,031,723	\$ -
Investments				
Bonds				
Corporate short-term	194,095	194,095	-	-
Corporate high yield	20,813	20,813	-	-
Treasury intermediate-term	123,941	123,941	-	-
Treasury world	18,762	18,762	-	-
Treasury inflation-protected	37,527	37,527	-	-
Equity securities				
Domestic large blend	427,372	427,372	-	-
Domestic mid-cap blend	58,503	58,503	-	-
Domestic small blend	75,119	75,119	-	-
Global diversified emerging markets	53,751	53,751	-	-
Global foreign large blend	129,365	129,365	-	-
Total investments	<u>1,139,248</u>	<u>1,139,248</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,170,971</u>	<u>\$ 1,139,248</u>	<u>\$ 1,031,723</u>	<u>\$ -</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,255,644	\$ 171,700
Building	857,572	857,572
Equipment	363,364	393,028
Vehicles	1,191,335	913,168
Computers	143,447	143,447
Land improvements	14,122	14,122
Capital expenses in progress	<u>2,160,713</u>	<u>10,000</u>
	5,986,197	2,503,037
Less accumulated depreciation	<u>(1,705,177)</u>	<u>(1,568,966)</u>
	<u>\$ 4,281,020</u>	<u>\$ 934,071</u>

The consolidated financial statements include depreciation expense of \$198,380 and \$158,537 for the years ended June 30, 2021 and 2020, respectively.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F - INVESTMENTS

Investments consist of:

	2021		2020	
	Cost	Fair Market Value	Cost	Fair Market Value
Bonds	\$ 452,581	\$ 460,845	\$ 384,630	\$ 395,138
Equity securities	508,039	962,859	556,243	744,110
 Total investments	<u>\$ 960,620</u>	<u>\$ 1,423,704</u>	<u>\$ 940,873</u>	<u>\$ 1,139,248</u>
 Gross unrealized gain		<u>\$ 463,084</u>		<u>\$ 198,375</u>

Investment income consist of:

	2021	2020
Interest and dividends	\$ 35,343	\$ 58,151
Realized gains on investments	19,566	49,557
Unrealized gains (losses) on investments	264,711	(14,262)
Investment fees	(9,204)	(8,486)
	<u>\$ 310,416</u>	<u>\$ 84,960</u>

NOTE G - LETTER AND LINE OF CREDIT

The Organization has a \$45,000 operating letter of credit, which had not been drawn down as of June 30, 2021 and 2020. The interest rate is the bank base rate. The letter of credit expires February 2022.

The Organization has a \$300,000 operating line of credit, which had not been drawn down as of June 30, 2021 and 2020. The interest rate is 3%. The line of credit expires on November 1, 2021.

NOTE H - CONTRIBUTIONS

Contributions to the Organization recognized from various groups during the years ended June 30, 2021 and 2020, are as follows:

	2021			2020
	With donor restrictions	Without donor restrictions	Total	
Church	\$ 67,335	\$ 82,382	\$ 149,717	\$ 208,998
Foundation	4,578,050	342,266	4,920,316	2,149,180
Corporate	1,338,054	638,718	1,976,772	715,251
Org/Group/Club/Civic	201,565	54,372	255,937	222,369
Individual	2,263,176	3,434,158	5,697,334	3,964,908
	<u>\$ 8,448,180</u>	<u>\$ 4,551,896</u>	<u>\$ 13,000,076</u>	<u>\$ 7,260,706</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I - IN-KIND GOODS AND SERVICES

The Organization records the estimated fair market value of in-kind services received for advertising and other services provided by various corporate donors. Amounts for these types of services totaled \$112,147 and \$101,312 for the years ended June 30, 2021 and 2020, respectively. Additional in-kind donations totaling \$22,731 and \$2,200 for the years ended June 30, 2021 and 2020, respectively, were received for supplies for the Organization's operations.

NOTE J - PENSION PLAN

The Organization sponsors a Simplified Employee Pension (SEP) plan. Any employee whose compensation during the year is greater than \$550, who is over the age of 19, and has worked in at least two years of the immediately preceding five years is eligible to participate effective January 1st following the year they meet the eligibility requirements. The Organization contributes 5% of each eligible employee's salary to the plan. All contributions are fully vested upon the employee's participation. The Organization contributed \$71,919 and \$63,197 for the years ended June 30, 2021 and 2020, respectively.

The Organization also sponsors a defined contribution pension plan under Internal Revenue Code Section 403(b), tax deferred annuity plan, covering substantially all employees. Employee contributions are optional.

NOTE K - CONCENTRATIONS

Distributed Goods

During the years ended June 30, 2021 and 2020, the Food Bank distributed 37% and 33%, respectively, of its total pounds to the Center for People in Need.

Financial Instruments

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of checking and certificate of deposit accounts at a financial institution. Accounts at each institution are insured by the FDIC up to \$250,000. The Organization also holds short-term Federal investment trust (STFIT) accounts that are not FDIC insured, but are secured by the underlying investment securities. As of June 30, 2021 and 2020, the bank accounts exceed the federally insured limits by \$0 and \$616,861, respectively. Additionally, the STFIT accounts totaled \$8,032,156 and \$4,087,337 for the years ended June 30, 2021 and 2020, respectively. The Organization has not experienced any losses on such accounts.

NOTE L - COMMITMENTS

Operating Leases

In April 2018, the Organization entered into a 60-month operating lease for a copier. Under the terms of the lease, monthly payments are \$323.

In August 2019, the Organization entered into a 60-month operating lease for a copier. Under the terms of the lease, monthly payments are \$158.

In March 2020, the Organization entered into a 36-month operating lease for a postage machine. Under the terms of the lease, monthly payments are \$33.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE L - COMMITMENTS - CONTINUED

In June 2018, the Organization entered into a 36-month operating lease for the warehouse space located at 4800 Doris Bair Circle, Lincoln, Nebraska, commencing July 1, 2018. Under the terms of the lease, base monthly rent is \$6,375, and \$6,928 for the years ended June 30, 2020, and 2021, respectively. Additionally, the Organization is required to pay a proportionate share of operating and maintenance costs for common areas and facilities. The Organization's monthly share is \$907, and \$1,392 for the years ended June 30, 2020, and 2021 respectively. On July 8, 2021, the Organization extended the lease through June 30, 2023. Under the terms of the lease, base monthly rent is \$7,622 for the years ended June 30, 2022 and 2023. Additionally, the Organization is required to pay a proportionate share of operating and maintenance costs for common areas and facilities. The Organization's monthly share is \$1,392 for the years ended June 30, 2022 and June 30, 2023.

The financial statements include rent expense of \$109,610 and \$96,739 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	
2022	\$ 97,626
2023	96,557
2024	1,890
2025	473
	<u>\$ 196,546</u>

NOTE M - CONTINGENCIES

Two reversion agreements existed as of June 30, 2021 that require the Organization to repay \$125,000 to two entities if the Organization ceases to exist.

NOTE N - RELATED PARTY

The Organization's former Executive Director served on the Board of Directors for Feeding America during the years ended June 30, 2021 and 2020. Feeding America provided funding of \$453,816 and \$659,114 to the Organization for the years ended June 30, 2021 and 2020, respectively.

NOTE O - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On April 13, 2020, the Organization obtained a loan for \$363,000 through the paycheck protection program (PPP) with the Small Business Administration (SBA), which was established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The PPP provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses for qualifying businesses. The loan and accrued interest were forgivable as long as the borrower used the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. On May 11, 2021, the Organization received full forgiveness. The Organization concluded that the PPP loan represents, in substance a grant that was expected to be forgiven, and therefore, recognized revenue for the full amount of the proceeds during the year ended June 30, 2020. The revenue is included with governmental program support on the consolidated statements of activities for the year ended June 30, 2020.

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents, undesignated and restricted	\$ 8,398,526	\$ 5,815,099
Certificates of deposit	1,580,498	572,357
Accounts receivable	8,915	10,997
Pledges receivable	783,976	316,863
Grants receivable	<u>845,419</u>	<u>251,409</u>
	11,617,334	6,966,725
Donor imposed restrictions:		
Subject to expenditure for specified purpose or time	<u>(5,831,288)</u>	<u>(2,394,688)</u>
Net financial assets after donor-imposed restrictions	5,786,046	4,572,037
Less:		
Board-designated funds for capital expenses	<u>(127,494)</u>	<u>(127,494)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,658,552</u>	<u>\$ 4,444,543</u>

As part of the liquidity management plan, the Board has set up an operation reserve for up to six months' operating expense based on current year monthly expense averages. Cash reserves exceeding daily cash requirements are invested in short-term investments and CDs, and may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization also could draw upon \$345,000 of available line of credit or the Food Bank Foundation funds.

NOTE Q - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the consolidated financial statements were available to be issued.

On July 2, 2021, the Organization entered into an agreement to sell its land and building for \$1,350,000 resulting in a \$811,945 gain on sale. The Organization will continue to utilize the property under a lease agreement with the buyer for \$1 per month for a period of ten months ending June 20, 2022.

HIBE

HIBE

SUPPLEMENTAL INFORMATION

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

	Food Bank of Lincoln, Inc.	Food Bank of Lincoln Foundation	Consolidated
CURRENT ASSETS			
Cash and cash equivalents, undesignated	\$ 3,354,246	\$ 330,082	\$ 3,684,328
Cash and cash equivalents, restricted	4,714,198	-	4,714,198
Certificates of deposit	1,580,498	-	1,580,498
Accounts receivable	8,915	-	8,915
Pledges receivable, current portion	783,976	-	783,976
Grants receivable	845,419	-	845,419
Prepaid expenses	57,623	-	57,623
Inventory, purchased	661,171	-	661,171
Inventory, donated	1,064,533	-	1,064,533
	<u>13,070,579</u>	<u>330,082</u>	<u>13,400,661</u>
PROPERTY AND EQUIPMENT, net	<u>4,281,020</u>	<u>-</u>	<u>4,281,020</u>
OTHER ASSETS			
Pledges receivable, less current portion	612,650	-	612,650
Investments	-	1,423,704	1,423,704
	<u>612,650</u>	<u>1,423,704</u>	<u>2,036,354</u>
Total assets	<u>\$ 17,964,249</u>	<u>\$ 1,753,786</u>	<u>\$ 19,718,035</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	\$ 838,162	\$ 909	\$ 839,071
Agency credits	1,073	-	1,073
Payroll taxes payable	7,746	-	7,746
Accrued wages	67,113	-	67,113
Accrued vacation	60,821	-	60,821
	<u>974,915</u>	<u>909</u>	<u>975,824</u>
Total current liabilities	<u>974,915</u>	<u>909</u>	<u>975,824</u>
NET ASSETS			
Without donor restrictions			
Undesignated	10,972,929	1,752,877	12,725,806
Board designated	185,117	-	185,117
With donor restrictions	5,831,288	-	5,831,288
	<u>16,989,334</u>	<u>1,752,877</u>	<u>18,742,211</u>
Total net assets	<u>16,989,334</u>	<u>1,752,877</u>	<u>18,742,211</u>
Total liabilities and net assets	<u>\$ 17,964,249</u>	<u>\$ 1,753,786</u>	<u>\$ 19,718,035</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

	Food Bank of Lincoln, Inc.	Food Bank of Lincoln Foundation	Consolidated
CURRENT ASSETS			
Cash and cash equivalents, undesignated	\$ 4,438,117	\$ 60,554	\$ 4,498,671
Cash and cash equivalents, restricted	1,316,428	-	1,316,428
Certificates of deposit	572,357	-	572,357
Accounts receivable	10,997	-	10,997
Pledges receivable, current portion	316,863	-	316,863
Grants receivable	251,409	-	251,409
Prepaid expenses	14,815	-	14,815
Inventory, purchased	440,779	-	440,779
Inventory, donated	1,031,723	-	1,031,723
	<u>8,393,488</u>	<u>60,554</u>	<u>8,454,042</u>
PROPERTY AND EQUIPMENT, net	<u>934,071</u>	<u>-</u>	<u>934,071</u>
OTHER ASSETS			
Pledges receivable, less current portion	100,000	-	100,000
Investments	-	1,139,248	1,139,248
	<u>100,000</u>	<u>1,139,248</u>	<u>1,239,248</u>
Total assets	<u>\$ 9,427,559</u>	<u>\$ 1,199,802</u>	<u>\$ 10,627,361</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	\$ 306,684	\$ 872	\$ 307,556
Agency credits	2,030	-	2,030
Payroll taxes payable	4,595	-	4,595
Accrued wages	74,898	-	74,898
Accrued vacation	55,943	-	55,943
	<u>444,150</u>	<u>872</u>	<u>445,022</u>
NET ASSETS			
Without donor restrictions			
Undesignated	6,446,412	1,198,930	7,645,342
Board designated	142,309	-	142,309
With donor restrictions	2,394,688	-	2,394,688
	<u>8,983,409</u>	<u>1,198,930</u>	<u>10,182,339</u>
Total net assets	<u>8,983,409</u>	<u>1,198,930</u>	<u>10,182,339</u>
Total liabilities and net assets	<u>\$ 9,427,559</u>	<u>\$ 1,199,802</u>	<u>\$ 10,627,361</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2021

	Food Bank of Lincoln, Inc.	Food Bank of Lincoln Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenue and support				
Value of contributed inventory	\$ 15,815,991	\$ -	\$ -	\$ 15,815,991
Contributions	4,295,899	255,997	-	4,551,896
In-kind goods and services	134,878	-	-	134,878
Governmental program support	4,167,793	-	-	4,167,793
Investment income	11,550	298,866	-	310,416
Agency cooperative purchasing and fees	56,801	-	-	56,801
Miscellaneous	5,170	-	-	5,170
	<u>24,488,082</u>	<u>554,863</u>	<u>-</u>	<u>25,042,945</u>
Total revenue and support				
Net assets released from restrictions	<u>5,011,580</u>	<u>-</u>	<u>-</u>	<u>5,011,580</u>
Total revenue and support without donor restrictions	<u>29,499,662</u>	<u>554,863</u>	<u>-</u>	<u>30,054,525</u>
Expenses				
Program				
Operations	20,615,835	-	-	20,615,835
Child Hunger	2,704,001	-	-	2,704,001
SNAP	223,025	-	-	223,025
BOP	23,444	-	-	23,444
Management and general	433,674	916	-	434,590
Fundraising	930,358	-	-	930,358
	<u>24,930,337</u>	<u>916</u>	<u>-</u>	<u>24,931,253</u>
Total expenses				
Increase in net assets without donor restrictions	<u>4,569,325</u>	<u>553,947</u>	<u>-</u>	<u>5,123,272</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Restricted grants and contributions	8,448,180	-	-	8,448,180
Net assets released from restrictions	<u>(5,011,580)</u>	<u>-</u>	<u>-</u>	<u>(5,011,580)</u>
Increase in net assets with donor restrictions	<u>3,436,600</u>	<u>-</u>	<u>-</u>	<u>3,436,600</u>
INCREASE IN NET ASSETS	8,005,925	553,947	-	8,559,872
Net assets at beginning of year	<u>8,983,409</u>	<u>1,198,930</u>	<u>-</u>	<u>10,182,339</u>
Net assets at end of year	<u>\$ 16,989,334</u>	<u>\$ 1,752,877</u>	<u>\$ -</u>	<u>\$ 18,742,211</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2020

	Food Bank of Lincoln, Inc.	Food Bank of Lincoln Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenue and support				
Value of contributed inventory	\$ 14,493,403	\$ -	\$ -	\$ 14,493,403
Contributions	4,049,608	2,779	(260,000)	3,792,387
In-kind goods and services	103,512	-	-	103,512
Governmental program support	1,040,932	-	-	1,040,932
Investment income	29,374	55,586	-	84,960
Agency cooperative purchasing and fees	121,096	-	-	121,096
Miscellaneous	8,670	-	-	8,670
	<u>19,846,595</u>	<u>58,365</u>	<u>(260,000)</u>	<u>19,644,960</u>
Total revenue and support				
Net assets released from restrictions	<u>2,402,204</u>	<u>-</u>	<u>-</u>	<u>2,402,204</u>
Total revenue and support without donor restrictions	<u>22,248,799</u>	<u>58,365</u>	<u>(260,000)</u>	<u>22,047,164</u>
Expenses				
Program				
Operations	16,543,744	-	-	16,543,744
Child Hunger	1,616,595	-	-	1,616,595
SNAP	223,609	-	-	223,609
BOP	61,992	-	-	61,992
Management and general	380,024	260,873	(260,000)	380,897
Fundraising	741,213	-	-	741,213
	<u>19,567,177</u>	<u>260,873</u>	<u>(260,000)</u>	<u>19,568,050</u>
Total expenses				
Increase in net assets without donor restrictions	<u>2,681,622</u>	<u>(202,508)</u>	<u>-</u>	<u>2,479,114</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Food purchasing contributions	120,195	-	-	120,195
Restricted grants and contributions	3,348,124	-	-	3,348,124
	<u>3,468,319</u>	<u>-</u>	<u>-</u>	<u>3,468,319</u>
Total revenue and support with donor restrictions				
Net assets released from restrictions	<u>(2,402,204)</u>	<u>-</u>	<u>-</u>	<u>(2,402,204)</u>
Increase in net assets with donor restrictions	<u>1,066,115</u>	<u>-</u>	<u>-</u>	<u>1,066,115</u>
INCREASE IN NET ASSETS				
	3,747,737	(202,508)	-	3,545,229
Net assets at beginning of year	<u>5,235,672</u>	<u>1,401,438</u>	<u>-</u>	<u>6,637,110</u>
Net assets at end of year	<u>\$ 8,983,409</u>	<u>\$ 1,198,930</u>	<u>\$ -</u>	<u>\$ 10,182,339</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2021

	<u>Food Bank of Lincoln, Inc.</u>	<u>Food Bank of Lincoln Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cost of food distributed or discarded	\$ 21,090,675	\$ -	\$ -	\$ 21,090,675
Food freight, storage, and fees	82,314	-	-	82,314
Employee compensation	2,128,287	-	-	2,128,287
Pension contribution and fees	73,501	-	-	73,501
Professional fees	287,493	-	-	287,493
Office expenses, supplies and postage	190,381	916	-	191,297
Occupancy	274,776	-	-	274,776
Printing and promotion	264,710	-	-	264,710
Travel	24,888	-	-	24,888
Transportation	167,524	-	-	167,524
In-kind goods and services	134,878	-	-	134,878
Miscellaneous	10,559	-	-	10,559
Agency	1,971	-	-	1,971
Depreciation	198,380	-	-	198,380
	<u>\$ 24,930,337</u>	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ 24,931,253</u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2020

	<u>Food Bank of Lincoln, Inc.</u>	<u>Food Bank of Lincoln Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cost of food distributed or discarded	\$ 16,113,311	\$ -	\$ -	\$ 16,113,311
Food freight, storage, and fees	168,650	-	-	168,650
Employee compensation	1,897,940	-	-	1,897,940
Pension contribution and fees	65,308	-	-	65,308
Professional fees	192,804	-	-	192,804
Office expenses, supplies and postage	259,735	873	-	260,608
Occupancy	196,532	-	-	196,532
Printing and promotion	219,989	-	-	219,989
Travel	41,061	-	-	41,061
Transportation	138,899	-	-	138,899
In-kind goods and services	103,512	-	-	103,512
Contributions	-	260,000	(260,000)	-
Miscellaneous	8,176	-	-	8,176
Agency	2,723	-	-	2,723
Depreciation	158,537	-	-	158,537
	<u>\$ 19,567,177</u>	<u>\$ 260,873</u>	<u>\$ (260,000)</u>	<u>\$ 19,568,050</u>

Food Bank of Lincoln, Inc.

CAPITAL CAMPAIGN ACTIVITY - STATEMENTS OF FINANCIAL POSITION

Years ended June 30,

	ASSETS	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents, restricted	\$ 4,708,388	\$ 1,316,428
Pledges receivable	1,163,220	60,000
Prepaid expenses	<u>10,412</u>	<u>-</u>
Total current assets	<u>5,882,020</u>	<u>1,376,428</u>
PROPERTY AND EQUIPMENT		
Land	1,083,944	-
Capital expenses in progress	<u>2,160,713</u>	<u>10,000</u>
Total property and equipment	<u>3,244,657</u>	<u>10,000</u>
Total assets	<u>\$ 9,126,677</u>	<u>\$ 1,386,428</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 636,937	\$ 8,785
Reimbursements payable to general operating cash	<u>-</u>	<u>7,687</u>
Total current liabilities	<u>636,937</u>	<u>16,472</u>
NET ASSETS		
Without donor restrictions	3,294,987	10,694
With donor restrictions	<u>5,194,753</u>	<u>1,359,262</u>
Total net assets	<u>8,489,740</u>	<u>1,369,956</u>
Total liabilities and net assets	<u>\$ 9,126,677</u>	<u>\$ 1,386,428</u>

Food Bank of Lincoln, Inc.

CAPITAL CAMPAIGN ACTIVITY - STATEMENTS OF ACTIVITIES

Years ended June 30,

	<u>2021</u>	<u>2020</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 7,244,463	\$ 1,395,025	\$ 8,639,488
In-kind goods and services	48,780	5,884	54,664
Investment income	<u>856</u>	<u>694</u>	<u>1,550</u>
Total revenue and support	<u>7,294,099</u>	<u>1,401,603</u>	<u>8,695,702</u>
EXPENSES			
Professional fees	75,263	21,332	96,595
Office expenses, supplies, and postage	15,027	939	15,966
Printing and promotion	32,548	345	32,893
Travel	989	3,147	4,136
In-kind goods and services	48,780	5,884	54,664
Miscellaneous	<u>1,708</u>	<u>-</u>	<u>1,708</u>
Total expenses	<u>174,315</u>	<u>31,647</u>	<u>205,962</u>
INCREASE IN NET ASSETS	7,119,784	1,369,956	<u>\$ 8,489,740</u>
Net assets at beginning of year	<u>1,369,956</u>	<u>-</u>	
Net assets at end of year	<u>\$ 8,489,740</u>	<u>\$ 1,369,956</u>	

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2021

Federal Agency Cluster/Program	Pass Through Entity	Assistance Listing Number	Grant Identifying Number	Amount Expended
U.S. Department of Agriculture				
Food Distribution Cluster:				
Emergency Food Assistance Program - Administrative Costs	Nebraska Department of Health and Human Services	10.568	213NE826Y8105 213NE033J7003 213NE446Q220	\$ 244,511
COVID-19, Emergency Food Assistance Program - Administrative Costs	Nebraska Department of Health and Human Services	10.568	203NE723Y8732 203NE733Y8703	<u>114,367</u>
				<u>358,878</u>
Emergency Food Assistance Program - Food Commodities	Nebraska Department of Health and Human Services	10.569	203NE826Y8105 203NE733Y8703 213NE826Y8105 213NE033J7003 213NE446Q220	<u>4,129,185</u>
Commodity Supplemental Food Program - Administrative Costs	Nebraska Department of Health and Human Services	10.565	203NE813Y8005 213NE813Y8005	31,476
Commodity Supplemental Food Program - Food Commodities	Nebraska Department of Health and Human Services	10.565	203NE813Y8005 213NE813Y8005	<u>282,445</u>
				<u>313,921</u>
Cluster total				<u><u>4,801,984</u></u>
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Nebraska Department of Health and Human Services/ Food Bank for the Heartland	10.561	203NE406S2514 213NE406S2514	<u>102,255</u>
Child Nutrition Cluster:				
Summer Food Services Program for Children	Nebraska Department of Education	10.559	202120N109943	<u>225,184</u>
Federal Agency total				5,129,423
U.S. Department of Housing and Urban Development				
CDBG-Entitlements Grants Cluster:				
COVID-19, Community Development Block Grants/ Special Purpose Grants/Insular Areas	City of Lincoln, Dept. of Urban Development	14.225	N/A	450,000
U.S. Department of Treasury				
COVID-19, Coronavirus Relief Fund	Nebraska Department of Health and Human Services	21.019	N/A	<u>3,000,000</u>
				<u><u>\$ 8,579,423</u></u>

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2021

Basis of Presentation. The accompanying schedule of federal awards includes the federal grant activity of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation and is presented on the accrual basis of accounting. Grant awards are considered expended when the expense transactions associated with the grant occur. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic consolidated financial statements.

The schedule includes noncash assistance totaling \$4,411,630 for Assistance Listing #10.569 and #10.565, which represents food commodities distributed to program beneficiaries.

Subrecipients. The Organization provided no federal awards to subrecipients.

Indirect Costs. The Organization elected to use the ten percent de minimis indirect cost rate as allowed in the Uniform Guidance, 2 CFR 200.414.



HIDE
HIDE

(This page left blank intentionally)

HIDE

HIDE

SINGLE AUDIT SECTION

HIDE
HIDE

(This page left blank intentionally)



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*

The Board of Directors
Food Bank of Lincoln, Inc.
and Food Bank of Lincoln Foundation
Lincoln, Nebraska

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 consolidated financial statements of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's Response to Findings

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

Purpose of this Report

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

WBE LLP

Lincoln, Nebraska
October 20, 2021



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

The Board of Directors
Food Bank of Lincoln, Inc.
and Food Bank of Lincoln Foundation
Lincoln, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation'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 Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's major federal programs for the year ended June 30, 2021. Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation'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 terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation 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 Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation'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 Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation'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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Lincoln, Nebraska
October 20, 2021

Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

Summary of Auditor's Results

- a) An unmodified audit report was issued on the consolidated financial statements of Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation.
- b) Two material weaknesses in internal control (2021-001 and 2021-002) were disclosed by the audit of the consolidated financial statements.
- c) The audit did not disclose any noncompliance which would be material to the consolidated financial statements.
- d) No deficiencies in internal control over its major federal award programs were disclosed by the audit.
- e) An unmodified audit report was issued on compliance for Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation's major federal award programs.
- f) The audit disclosed no audit findings which were required to be reported relative to the major federal award programs.
- g) The programs tested as major programs included:
 - Food Distribution Cluster, Assistance Listings #10,565, 10.568, 10.569
 - CDBG-Entitlements Grants Cluster, Assistance Listing #14.225
 - Coronavirus Relief Fund, Assistance Listing #21.019
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i) Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation did not qualify as a low-risk auditee as defined by the Uniform Guidance.

Findings – Consolidated Financial Statements Audit

2021 - 001 Preparation of the Consolidated Financial Statements

Criteria: SAS 115 requires the communication, in writing, to management and those charged with governance, of material weaknesses identified in an audit.

Condition: Due to material adjustments necessary to correct certain account balances, the Organization did not have an internal control system designed to provide for the preparation of the consolidated financial statements being audited.

Cause: Management did not identify adjustments necessary to present the consolidated financial statements in accordance with U.S. generally accepted accounting principles. Material audit adjustments were proposed to correct account balances.

Effect or protentional effect: The control deficiency is a material weakness that results in a reasonable possibility that a material misstatement of the consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

Findings – Consolidated Financial Statements Audit - Continued

2021 - 001 Preparation of the Consolidated Financial Statements - Continued

Recommendation: Management should review contributions agreements to determine any conditions or barriers that prevent recognition of contribution revenue. Additionally, management should utilize an appropriate valuation rate, consistent with the Organization's accounting policies and historical treatment, for donated inventory activity.

Views of responsible officials: The Organization will continue to enhance its internal control process for identifying and correcting material misstatements during the course of the year, including review of contributions agreements and use of the food-only valuation rate for donated inventory activity.

2021 – 002 Material Audit Adjustments

Criteria: SAS 115 requires the communication, in writing, to management and those charged with governance, of material weaknesses identified in an audit.

Condition: Material audit adjustments were proposed that were not identified by the Organization's internal control system.

Cause: Management did not identify adjustments necessary to present the consolidated financial statements in accordance with U.S. generally accepted accounting principles. Material audit adjustments were proposed to correct account balances.

Effect or protentional effect: The control deficiency is a material weakness that results in a reasonable possibility that a material misstatement of the consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Recommendation: Management should review contributions agreements to determine any conditions or barriers that prevent recognition of contribution revenue. Additionally, management should utilize an appropriate valuation rate, consistent with the Organization's accounting policies and historical treatment, for donated inventory activity.

Views of responsible officials: The Organization will continue to enhance its internal control process for identifying and correcting material misstatements during the course of the year, including review of contributions agreements and use of the food-only valuation rate for donated inventory activity.

Findings - Major Federal Awards Program Audit

None



The Mission of the Food Bank of Lincoln is to Alleviate Hunger in Southeast Nebraska.

Healthy Food for Children

Healthy Food for Families

Healthy Food for Seniors & Vets

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2020

Findings – Major Federal Awards Program Audit

2020 - 001

Condition: The Organization erroneously identified one participant as eligible when the participant's income did not meet program eligibility requirements.

Corrective Action Planned: Program management understands the need to ensure income eligibility determinations are properly made. Management has implemented a software check that will be utilized by the Organization's program personnel to flag participants who do not meet income eligibility requirements.

Status: Corrected.





The Mission of the Food Bank of Lincoln is to Alleviate Hunger in Southeast Nebraska.

Healthy Food for Children

Healthy Food for Families

Healthy Food for Seniors & Vets

CORRECTIVE ACTION PLAN

Year ended June 30, 2021

The corrective action plan for the findings included in the schedule of findings and questioned costs are summarized as follows:

Finding 2021 - 001 Preparation of the Consolidated Financial Statements

Corrective Action Planned: The Organization will continue to enhance its internal control process for identifying and correcting material misstatements during the course of the year, including review of contributions agreements and use of the food-only valuation rate for donated inventory activity.

Anticipated Completion Date: June 30, 2022.

Responsible Parties: Management and Board of Directors

Finding 2021 - 002 Material Audit Adjustments

Corrective Action Planned: The Organization will continue to enhance its internal control process for identifying and correcting material misstatements during the course of the year, including review of contributions agreements and use of the food-only valuation rate for donated inventory activity.

Anticipated Completion Date: June 30, 2022.

Responsible Parties: Management and Board of Directors

If there are any questions regarding this plan, please call Nancy Gritz, Vice President of Finance & Human Resources for Food Bank of Lincoln, Inc. and Food Bank of Lincoln Foundation at (402) 466-8170.

Nancy Gritz

Nancy Gritz, Vice President of Finance & Human Resources

