

WESTMORELAND COUNTY FOOD BANK, INC.

**AUDIT REPORT
BASIC FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORT**

YEARS ENDED DECEMBER 31, 2020 AND 2019

WESTMORELAND COUNTY FOOD BANK, INC.
YEARS ENDED DECEMBER 31, 2020 AND 2019

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Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors of the
Westmoreland County Food Bank, Inc.
100 Devonshire Drive
Delmont, Pennsylvania 15626

Report on the Financial Statements

We have audited the accompanying financial statements of the Westmoreland County Food Bank, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the years 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

Our responsibility is to express an opinion on these 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 audits 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Westmoreland County Food Bank, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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Board of Directors of the
Westmoreland County Food Bank, Inc.
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Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21 2021, on our consideration of the Westmoreland County Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Westmoreland County Food Bank, Inc.'s internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Greensburg, Pennsylvania
June 21, 2021

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Assets	2020	2019
Current Assets:		
Cash and Cash Equivalents	\$ 5,708,601	\$ 1,000,488
Accounts Receivable	63,503	119,876
Inventory	1,413,427	1,040,975
Other Assets	7,877	7,877
Total Current Assets	7,193,408	2,169,216
Fixed Assets:		
Land	30,600	30,600
Construction in Progress	8,948	-
Building and Equipment	3,716,265	3,502,534
Less: Accumulated Depreciation	(2,086,828)	(2,047,284)
Net Fixed Assets	1,668,985	1,485,850
Total Assets	\$ 8,862,393	\$ 3,655,066
Total Liabilities and Net Assets		
Current Liabilities:		
Accrued Liabilities	\$ 9,945	\$ 57,505
Accounts Payable	133,443	71,867
Unearned Revenues	585,820	380,205
Total Current Liabilities	729,208	509,577
Net Assets:		
With Donor Restrictions	864,384	-
Without Donor Restrictions	7,268,801	3,145,489
Total Net Assets	8,133,185	3,145,489
Total Liabilities and Net Assets	\$ 8,862,393	\$ 3,655,066

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2020	
	Without Donor	With Donor	
	Restrictions	Restrictions	Total
Support and Revenue:			
Public Support:			
Grants and Contracts	\$ 3,448,093	\$ 864,384	\$ 4,312,477
Contributions:			
Donated Food	5,999,265	-	5,999,265
Contributions, Other	1,400	-	1,400
Corporate and Individual Donations	5,237,860	-	5,237,860
Donations, Other	2,920	-	2,920
Interest Income	17,821	-	17,821
Rental Income	4,796	-	4,796
Other Income	6,697	-	6,697
Trucking Income	38,600	-	38,600
Membership Fees	5,080	-	5,080
Forgiveness of PPP Loans	305,400	-	305,400
Total Support and Revenue	<u>15,067,932</u>	<u>864,384</u>	<u>15,932,316</u>
Expenses:			
Program Services	10,366,477	-	10,366,477
Management and General	192,797	-	192,797
Fundraising	385,346	-	385,346
Total Expenses	<u>10,944,620</u>	<u>-</u>	<u>10,944,620</u>
Change in net assets	4,123,312	864,384	4,987,696
Net Assets:			
Beginning of year	3,145,489	-	3,145,489
End of year	<u>\$ 7,268,801</u>	<u>\$ 864,384</u>	<u>\$ 8,133,185</u>

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2019	2019	
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Public Support:			
Grants and Contracts	\$ 1,651,446	\$ -	\$ 1,651,446
Contributions:			
Donated Food	9,061,231	-	9,061,231
Contributions, Other	14,800	-	14,800
Corporate and Individual Donations	1,779,754	-	1,779,754
Donations, Other	50	-	50
Interest Income	1,115	-	1,115
Rental Income	960	-	960
Other Income	1,824	-	1,824
Salvage Income	3,777	-	3,777
Trucking Income	46,060	-	46,060
Membership Fees	6,130	-	6,130
Total Support and Revenue	<u>12,567,147</u>	<u>-</u>	<u>12,567,147</u>
Expenses:			
Program Services	12,041,453	-	12,041,453
Management and General	243,174	-	243,174
Fundraising	330,826	-	330,826
Total Expenses	<u>12,615,453</u>	<u>-</u>	<u>12,615,453</u>
Change in net assets	(48,306)	-	(48,306)
Net Assets:			
Beginning of year	3,193,798	-	3,193,798
End of year	<u>\$ 3,145,489</u>	<u>\$ -</u>	<u>\$ 3,145,489</u>

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 4,987,696	\$ (48,306)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	218,221	177,696
Forgiveness of PPP Loans	(305,400)	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	56,373	4,994
Inventory	(372,452)	275,690
Increase (Decrease) in Operating Liabilities:		
Accrued Liabilities	(47,560)	4,131
Accounts Payable	61,576	(103,704)
Unearned Revenue	205,615	134,101
Net Cash Provided By (Used In) Operating Activities	4,804,069	444,602
Cash Flows from Investing Activities:		
Capital Additions	(401,356)	(216,239)
Net Cash Used in Investing Activities	(401,356)	(216,239)
Cash Flows from Financing Activities:		
Proceeds from PPP loans	305,400	-
Net Cash Used in Financing Activities	305,400	-
Increase (Decrease) in Cash and Cash Equivalents	4,708,113	228,363
Cash and Cash Equivalents, January 1	1,000,488	772,125
Cash and Cash Equivalents, December 31	\$ 5,708,601	\$ 1,000,488

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Food Distribution						
	<u>Warehouse Operations</u>	<u>Summer Food Service Program</u>	<u>Operation Fresh Express Program</u>	<u>Commodity Supplemental Food Program</u>	<u>Volunteer Activities</u>	<u>Agency Relations</u>	<u>Development</u>
Salaries and Wages	\$ 483,266	\$ 6,838	\$ 12,455	\$ 78,304	\$ 99,142	\$ 196,048	\$ 39,779
Employee Benefits	170,902	1,961	3,653	27,980	36,115	44,884	6,333
Payroll Taxes	31,130	523	952	5,990	7,584	14,997	3,043
Payroll Services	243	243	243	243	243	243	243
Workers Compensation	10,507	172	344	1,974	2,821	5,591	920
Unemployment Compensation	747	758	747	747	747	747	747
Overtime Wages	3,722	-	-	-	174	274	-
Part Time Wages	-	2,388	-	-	-	-	-
Part Time Taxes	-	183	-	-	-	-	-
Employee Cost	2,323	58	-	-	-	13	-
Employee Costs - Other	-	-	-	-	-	-	-
Total Salaries and Related Expenses	702,840	13,124	18,394	115,238	146,826	262,797	51,065
Delivery Costs / Truck	69,139	-	7,681	7,681	-	-	-
Fundraising Expense	2,737	2,737	2,737	2,737	2,737	2,737	2,746
Insurance	1,527	-	1,521	1,521	1,521	1,521	1,521
Miscellaneous Expense	1,319	864	864	864	939	984	944
Office Expense	2,122	2,122	2,122	2,122	2,122	2,247	2,762
Professional Fees	3,598	3,598	3,598	3,598	3,598	11,148	23,627
Program Expenses	1,098,488	63,296	365	6,672	8,733	41,311	2,180
Repairs and Maintenance	80,054	2,143	2,143	2,143	2,143	2,143	2,143
Donated Gift Certificate	-	-	-	-	-	56,160	-
Reimbursable Expenses	2,011	36	335	808	426	2,742	730
Utilities and Telephone	28,636	1,217	1,217	1,217	1,217	1,217	1,217
Warehouse Expense	132,031	-	14,669	14,669	-	-	-
Total Expenses Before Inventory Distributions and Depreciation	2,124,502	89,137	55,646	159,270	170,262	385,007	88,935
Value of Price Adjustment	11,957	-	-	-	-	-	-
Value of TEFAP Distributed	1,985,484	-	-	-	-	661,828	-
Value of CSFP Product Distributed	136,452	-	-	136,453	-	136,452	-
Value of Donated Food Distributed	1,490,728	-	745,365	-	-	745,365	-
Value of CFAP Food Distributed	-	-	-	-	-	-	-
Value of Donated Food Disposed	308,959	-	-	242	-	-	-
Total Expenses Before Depreciation	6,058,082	89,137	801,011	295,965	170,262	1,928,652	88,935
Depreciation Expense	152,758	-	4,676	4,676	4,676	4,676	4,676
Total Expenses	\$ 6,210,840	\$ 89,137	\$ 805,687	\$ 300,641	\$ 174,938	\$ 1,933,328	\$ 93,611

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Grant Writer	Food Solicitation	Expansion Program	SNAP	Food Drives	Backpack	Military Share
Salaries and Wages	\$ 11,601	\$ 12,123	\$ 2,639	\$ 23,893	\$ 8,858	\$ 15,523	\$ 6,473
Employee Benefits	2,045	3,149	723	3,058	2,124	4,259	2,083
Payroll Taxes	887	927	201	1,827	677	1,187	495
Payroll Services	243	243	243	243	243	243	243
Workers Compensation	256	186	60	761	230	410	143
Unemployment Compensation	747	747	747	747	747	747	747
Overtime Wages	-	-	-	75	-	-	-
Part Time Wages	-	-	-	-	-	-	-
Part Time Taxes	-	-	-	-	-	-	-
Employee Cost	-	-	-	-	-	-	-
Employee Costs - Other	-	-	-	-	-	-	-
Total Salaries and Related Expenses	15,779	17,375	4,613	30,604	12,879	22,369	10,184
Delivery Costs / Truck	-	-	-	-	7,681	7,681	7,681
Fundraising Expense	2,737	2,737	2,737	2,737	2,737	2,737	2,737
Insurance	1,521	1,521	1,521	1,521	1,521	1,521	1,521
Miscellaneous Expense	864	864	864	864	864	864	864
Office Expense	2,122	2,122	2,122	2,122	2,122	2,122	2,122
Professional Fees	3,598	3,598	3,598	3,598	3,598	3,598	3,598
Program Expenses	737	737	5,000	737	165	64,134	737
Repairs and Maintenance	2,143	2,143	2,143	2,143	2,143	2,143	2,143
Donated Gift Certificate	-	-	-	-	-	-	-
Reimbursable Expenses	-	-	11	567	76	249	261
Utilities and Telephone	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Warehouse Expense	-	-	-	-	14,669	14,669	14,669
Total Expenses Before Inventory Distributions and Depreciation	30,718	32,314	23,826	46,110	49,672	123,304	47,734
Value of Price Adjustment	-	-	-	-	-	-	-
Value of TEFAP Distributed	-	-	-	-	-	-	-
Value of CSFP Product Distributed	-	-	-	-	-	-	-
Value of Donated Food Distributed	-	-	-	-	-	-	-
Value of CFAP Food Distributed	-	-	-	-	-	-	-
Value of Donated Food Disposed	-	-	-	-	-	-	-
Total Expenses Before Depreciation	30,718	32,314	23,826	46,110	49,672	123,304	47,734
Depreciation Expense	4,676	4,676	4,676	4,676	4,676	4,676	4,676
Total Expenses	\$ 35,394	\$ 36,990	\$ 28,502	\$ 50,786	\$ 54,348	\$ 127,980	\$ 52,410

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>CFAP</u>	<u>Total Program Service</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020 Total</u>
Salaries and Wages	\$ 34,652	\$ 1,031,594	\$ 119,441	\$ 38,169	\$ 1,189,204
Employee Benefits	8,903	318,172	44,688	6,329	369,189
Payroll Taxes	2,650	73,070	5,254	2,919	81,243
Payroll Services	243	3,645	241	243	4,129
Workers Compensation	887	25,262	1,914	1,030	28,206
Unemployment Compensation	747	11,216	747	747	12,710
Overtime Wages	-	4,245	-	-	4,245
Part Time Wages	-	2,388	-	-	2,388
Part Time Taxes	-	183	-	-	183
Employee Cost	-	2,394	300	-	2,694
Employee Costs - Other	-	-	-	-	-
Total Salaries and Related Expenses	48,082	1,472,169	172,585	49,437	1,694,191
Delivery Costs / Truck	7,681	115,225	-	-	115,225
Fundraising Expense	2,737	41,064	-	292,715	333,779
Insurance	1,521	21,300	1,521	-	22,821
Miscellaneous Expense	864	13,690	632	864	15,186
Office Expense	2,122	32,595	2,122	34,891	69,608
Professional Fees	3,598	81,549	5,210	3,598	90,357
Program Expenses	7,574	1,300,866	89	121	1,301,076
Repairs and Maintenance	2,143	110,056	2,143	2,143	114,342
Donated Gift Certificate	-	56,160	-	-	56,160
Reimbursable Expenses	889	9,141	2,603	360	12,104
Utilities and Telephone	1,217	45,674	1,217	1,217	48,108
Warehouse Expense	14,669	220,045	-	-	220,045
Total Expenses Before Inventory Distributions and Depreciation	93,097	3,519,534	188,122	385,346	4,093,002
Value of Price Adjustment	-	11,957	-	-	11,957
Value of TEFAP Distributed	-	2,647,312	-	-	2,647,312
Value of CSFP Product Distributed	-	409,357	-	-	409,357
Value of Donated Food Distributed	-	2,981,458	-	-	2,981,458
Value of CFAP Food Distributed	274,112	274,112	-	-	274,112
Value of Donated Food Disposed	-	309,201	-	-	309,201
Total Expenses Before Depreciation	367,209	10,152,931	188,122	385,346	10,452,287
Depreciation Expense	4,676	213,546	4,675	-	218,221
Total Expenses	\$ 371,885	\$ 10,366,477	\$ 192,797	\$ 385,346	\$ 10,944,620

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Food Distribution						
	Warehouse Operations	Summer Food Service Program	Operation Fresh Express Program	Commodity Supplemental Food Program	Volunteer Activities	Agency Relations	Development
Salaries and Wages	\$ 415,834	\$ 3,798	\$ 58,111	\$ 63,485	\$ 93,506	\$ 158,466	\$ 37,800
Employee Benefits	159,470	1,511	16,515	26,681	39,940	58,031	7,067
Payroll Taxes	31,122	291	4,445	4,857	7,153	12,123	2,892
Payroll Services	230	228	230	230	230	230	230
Workers Compensation	14,117	26	1,643	1,875	2,993	5,276	943
Unemployment Compensation	122	122	122	122	122	122	122
Overtime Wages	32	-	8	-	-	16	-
Part Time Wages	-	6,674	-	-	-	-	-
Part Time Taxes	-	511	-	-	-	-	-
Employee Cost	1,604	-	208	22	59	35	59
Employee Costs - Other	-	-	-	-	-	-	-
Total Salaries and Related Expenses	622,531	13,161	81,282	97,272	144,003	234,299	49,113
Delivery Costs / Truck	60,793	-	12,159	12,159	-	-	-
Fundraising Expense	338	338	338	338	338	338	28,820
Insurance	1,130	-	1,130	1,130	1,130	1,130	1,130
Miscellaneous Expense	1,958	1,553	1,553	1,553	1,652	2,289	5,651
Office Expense	1,752	1,753	2,902	1,753	1,753	1,919	2,193
Professional Fees	3,151	3,152	3,152	3,152	3,152	10,251	3,152
Program Expenses	555,730	38,505	546	6,710	4,246	6,675	4,798
Repairs and Maintenance	14,053	3,682	5,744	5,744	3,682	3,619	3,682
Donated Gift Certificate	-	-	-	-	-	-	-
Reimbursable Expenses	1,619	219	1,210	1,326	873	3,051	1,262
Utilities and Telephone	30,565	1,358	1,358	1,358	1,358	1,358	1,358
Warehouse Expense	46,691	-	9,338	9,338	-	-	-
Total Expenses Before Inventory Distributions and Depreciation	1,340,311	63,721	120,712	141,833	162,187	264,929	101,159
Value of Price Adjustment	-	-	-	-	-	-	-
Value of TEFAP Distributed	2,180,172	-	-	-	-	726,723	-
Value of CSFP Product Distributed	118,765	-	-	118,766	-	118,765	-
Value of Donated Food Distributed	2,918,213	-	1,459,105	-	-	1,459,105	-
Value of Donated Food Disposed	241,259	-	-	451	-	-	-
Total Expenses Before Depreciation	6,798,720	63,721	1,579,817	261,050	162,187	2,569,522	101,159
Depreciation Expense	121,250	-	4,342	4,342	4,342	4,342	4,342
Total Expenses	\$ 6,919,970	\$ 63,721	\$ 1,584,159	\$ 265,392	\$ 166,529	\$ 2,573,864	\$ 105,501

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Grant Writer	Food Solicitation	Expansion Program	SNAP	Food Drives	Backpack	Military Share
Salaries and Wages	\$ 4,568	\$ 9,684	\$ 3,595	\$ 36,185	\$ 6,620	\$ 9,979	\$ 6,709
Employee Benefits	997	3,091	1,728	3,633	2,861	2,417	2,493
Payroll Taxes	349	741	275	2,768	506	763	513
Payroll Services	230	230	230	230	230	229	230
Workers Compensation	93	170	179	1,179	312	298	158
Unemployment Compensation	122	122	122	122	122	122	122
Overtime Wages	-	-	-	6	-	-	-
Part Time Wages	-	-	-	-	-	-	-
Part Time Taxes	-	-	-	-	-	-	-
Employee Cost	26	26	26	26	101	101	101
Employee Costs - Other	-	-	-	-	-	-	-
Total Salaries and Related Expenses	6,385	14,064	6,155	44,149	10,752	13,909	10,326
Delivery Costs / Truck	-	-	-	-	12,159	12,159	12,159
Fundraising Expense	338	338	338	338	338	338	338
Insurance	1,130	1,130	1,130	1,130	1,130	1,130	1,130
Miscellaneous Expense	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Office Expense	1,753	1,753	1,753	1,753	1,753	1,753	1,753
Professional Fees	3,452	3,152	3,152	3,152	3,152	3,152	3,152
Program Expenses	476	587	3,342	1,351	1,040	52,210	476
Repairs and Maintenance	3,682	3,682	3,682	3,682	5,744	5,744	5,744
Donated Gift Certificate	-	-	-	-	-	100	2,070
Reimbursable Expenses	-	-	94	1,562	428	343	365
Utilities and Telephone	1,358	1,358	1,358	1,358	1,358	1,358	1,358
Warehouse Expense	-	-	-	-	9,338	9,338	9,338
Total Expenses Before Inventory Distributions and Depreciation	20,127	27,617	22,557	60,028	48,745	103,087	49,762
Value of Price Adjustment	-	-	-	-	-	-	-
Value of TEFAP Distributed	-	-	-	-	-	-	-
Value of CSFP Product Distributed	-	-	-	-	-	-	-
Value of Donated Food Distributed	-	-	-	-	-	-	-
Value of Donated Food Disposed	-	-	-	-	-	-	-
Total Expenses Before Depreciation	20,127	27,617	22,557	60,028	48,745	103,087	49,762
Depreciation Expense	4,342	4,342	4,342	4,342	4,342	4,342	4,342
Total Expenses	\$ 24,469	\$ 31,959	\$ 26,899	\$ 64,370	\$ 53,087	\$ 107,429	\$ 54,104

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Total Program Service	Management and General	Fundraising	2019 Total
Salaries and Wages	\$ 908,340	\$ 152,566	\$ 28,914	\$ 1,089,820
Employee Benefits	326,435	48,428	6,291	381,154
Payroll Taxes	68,798	10,748	2,212	81,758
Payroll Services	3,217	230	230	3,677
Workers Compensation	29,262	3,075	986	33,323
Unemployment Compensation	1,708	122	122	1,952
Overtime Wages	62	-	-	62
Part Time Wages	6,674	-	-	6,674
Part Time Taxes	511	-	-	511
Employee Cost	2,394	118	59	2,571
Employee Costs - Other	-	-	-	-
	<u>1,347,401</u>	<u>215,287</u>	<u>38,814</u>	<u>1,601,502</u>
Total Salaries and Related Expenses				
Delivery Costs / Truck	121,588	-	-	121,588
Fundraising Expense	33,214	-	255,710	288,924
Insurance	14,690	1,130	-	15,820
Miscellaneous Expense	27,080	5,998	1,592	34,670
Office Expense	26,296	1,753	21,469	49,518
Professional Fees	51,526	3,151	6,147	60,824
Program Expenses	676,692	1,648	1,667	680,007
Repairs and Maintenance	72,166	3,682	3,682	79,530
Donated Gift Certificate	2,170	-	-	2,170
Reimbursable Expenses	12,352	4,825	387	17,564
Utilities and Telephone	48,219	1,358	1,358	50,935
Warehouse Expense	93,381	-	-	93,381
	<u>2,526,775</u>	<u>238,832</u>	<u>330,826</u>	<u>3,096,433</u>
Total Expenses Before Inventory Distributions and Depreciation				
Value of Price Adjustment	-	-	-	-
Value of TEFAP Distributed	2,906,895	-	-	2,906,895
Value of CSFP Product Distributed	356,296	-	-	356,296
Value of Donated Food Distributed	5,836,423	-	-	5,836,423
Value of Donated Food Disposed	241,710	-	-	241,710
	<u>11,868,099</u>	<u>238,832</u>	<u>330,826</u>	<u>12,437,757</u>
Total Expenses Before Depreciation				
Depreciation Expense	173,354	4,342	-	177,696
Total Expenses	<u>\$ 12,041,453</u>	<u>\$ 243,174</u>	<u>\$ 330,826</u>	<u>\$ 12,615,453</u>

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

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Westmoreland County Food Bank, Inc., is a private nonprofit 501(c)(3) corporation that operates in cooperation with support agencies and community groups committed to helping to alleviate hunger in Westmoreland County.

Program Descriptions

Agency/Warehouse: The core work of the Agency and Warehouse Programs is to acquire and distribute food and household necessities to needy people throughout Westmoreland County. This is done through a network of partner agencies comprised primarily of volunteer-run, faith based organizations. While a number of our partner agencies are soup kitchens and other on-site feeding programs, the majority are food pantries. Each month, WCFB delivers food and household necessities to these food pantries in refrigerated trucks. The pantries then distribute the items to their income-eligible constituents. In order to meet income eligibility requirements, family income must be at or below 150% of the Federal Poverty Guidelines.

Summer Food Service Program: For eight weeks each summer, free breakfasts and lunches are served to disadvantaged children at approximately twenty sites around Westmoreland County. These sites can be schools, playgrounds, housing sites or parks.

Operation Fresh Express: Groups and individuals sponsor OFE distributions where an average of over 20,000 pounds of perishable food (frozen, dairy products, and fresh produce) is directly distributed to needy families by WCFB staff and volunteers at sites throughout Westmoreland. This program operates from March until December each year with distributions held weekly. Due to Covid-19, the Operation Fresh Express distributions were not able to be held.

Commodity Supplemental Food Program: The CSFP program is federally funded through the state Department of Agriculture and provides supplemental, monthly food boxes designed to meet the nutritional needs of seniors. Each month 1,300 income eligible seniors age 60 and over receive these boxes through their pantries or a direct high rise distribution. Income is based on 130% of the federal poverty guidelines.

Volunteer Program: Volunteers are recruited to meet the volunteer needs of our warehouse, CSFP Senior Food Box, Operation Fresh Express, and our partner agencies. Tasks include distributing food or meals to clients, gleaning, food drives, as well as, sorting and repacking food from donors and retailers. Volunteers are required to agree to our policies and are given an orientation during their first opportunity. Hours are documented. In 2020, 5,071 volunteers gave a total of 57,918 hours.

Development: The Development Department oversees fundraising, direct mail, special events, donation acknowledgements, and assists with social media messaging.

Grant Writer: Grant writing occurs within the Development Department and is supplemented with a contract with Commonwealth Consulting Partners for grant writing services. After receiving a grant, time is also spent documenting, acknowledging, executing, and reporting on the grant requirements.

Food Solicitation: Develop relationships with local and national food distributors for the purpose of increasing product donations for the Westmoreland County Food Bank. This will result in the ability to offer more food to the member agencies and their consumer in our County.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Descriptions (Continued)

Food Solicitation: Maintain and Expand Food Solicitation Program:

1. Work with Warehouse Manager to obtain ideas of what will be in the emergency food boxes for this quarter to set up "wish list" for donors on product we would need donated on a monthly basis
2. Secure sufficient food donations to assist in support monthly Emergency Food Program and Operation Fresh Express.
3. Increase local food donations by 5%.
4. Access Feeding America's Choice System Internet Bidding on a daily basis; to obtain national donations through the network.

Outreach and Expansion Project: In 2009 an Expansion Model was developed with an outreach action plan which includes various outreach activities. Outreach efforts are concentrated on a different area of the county for two year time frames with a focus on finding new food, new funds, and new friends to assist in reaching the underserved while maintaining quality service for our current consumers. Many individuals and families may be eligible for help and not even know it. Examples of the various outreach activities are direct mail marketing to individual homes as well as flyers and posters in schools, churches and community organizations.

Supplemental Nutrition Assistance Program (SNAP): The Supplemental Nutrition Assistance Program (SNAP) is a federal program that provides a monthly benefit to enable low-income households to purchase the food they need to feed their families. WCFB helps to increase access to meals by assisting eligible individuals and families over the phone to complete applications for SNAP benefits. Applications are completed via our Community Partner Account on the PA COMPASS portal and submitted to the local County Assistance Office (CAO) for determination. Households determined eligible receive the benefits monthly through Electronic Benefits Transfer (EBT) cards which work like debit cards at a variety of retail stores.

Food Drives: Food drives provide a variety of food products to share with our clients and partner agencies. We collaborate with and support individuals, organizations and businesses who want to facilitate food drives. We can provide them with food drive receptacles, food pick-ups and social media support. During Feeding America's Hunger Action Month in September, we facilitate food drives at participating Walmart stores. Other large food drives include: Stamp Out Hunger, Scouting for Food, Fall Food Share and Harvest for Hunger. Due to Covid-19 many of our food drives were cancelled. In 2020, 96,934 pounds of food was collected through food drives.

Backpack: Westmoreland County Food Bank supplies weekend meal kits to 390 students from 9 schools throughout the school year. Recipients are identified by the schools and participants most qualify based on their eligibility for the National School Lunch Program.

Military Share: The program supplies a limited number of military families in Westmoreland County with a box full of fresh, frozen, and nonperishable food items. The Food Bank works with representatives from the Pennsylvania National Guard Family Assistant Center to deliver this much needed aid. This distribution is usually 9 times per year throughout Westmoreland County.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization

The Westmoreland County Food Bank, Inc., was incorporated under the laws of Pennsylvania as a nonprofit corporation. As such, it has no stockholders and excess revenues must be used for its nonprofit activity. Prior to October 1, 1982, Westmoreland County Food Bank, Inc. was operated as a segment of another entity. As of this date, they separated from the other entity and commenced operations as an independent agency. Westmoreland County Food Bank, Inc., receives revenues from member pantries who contribute a shared maintenance fee from other agencies on a fee-for-service basis, donations from the public, and governmental appropriations.

In addition, they receive noncash donations in the form of food.

The Westmoreland County Food Bank, Inc. is certified by Feeding America as a participant in its National Food Bank Network.

Basis of Accounting

The books and records of the Westmoreland County Food Bank, Inc., are maintained on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenses are generally recognized when the related program liability is incurred.

Basis of Presentation

The Westmoreland County Food Bank, Inc. has adopted FASB ASC section 958-205-05, as amended by ASU 2016-14. Presentation of Financial Statements of Not-for-Profit Organizations. FASB ASC section 958-205-05 establishes standards for external financial reporting by not-for-profit organizations and requires that resources are classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor or grantor restrictions imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* -- Net assets that are subject to donor 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, were the donor stipulates that resources be maintained in perpetuity. 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. The Westmoreland County Food Bank, Inc. did not have any Net Assets with Donor Restrictions during 2019. In 2020, the Westmoreland County Food Bank had \$864,384 of Net Assets with Donor Restrictions.

Revenue and Support Recognition

The Westmoreland County Food Bank, Inc., follows the recommendations of FASB ASC section 958-605-25, Revenue Recognition of Not-for-Profit Organizations. As such, contributions are recognized as revenue when they are received or unconditionally pledged.

The Westmoreland County Food Bank, Inc., reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and reported in the statement of activities as net assets released from restrictions.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support Recognition (Continued)

Contributions receivable represent amounts committed by donors that have not been received by the Westmoreland County Food Bank, Inc. Contributions with donor imposed restrictions that limit their use to long-term purposes are classified as a noncurrent asset.

The Westmoreland County Food Bank, Inc., accounts for contract and grant revenues, which are exchange transactions, in the statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each individual program are used as guidance. All monies not expended in accordance with the grant or contract are recorded as a liability to the grantor as the Westmoreland

County Food Bank, Inc., does not maintain any equity in the grant or contract. Additionally, funds received in advance of their proper usage are accounted for as unearned revenue in the statement of financial position.

It is the Westmoreland County Food Bank, Inc.'s practice to recognize restricted contributions as unrestricted revenue when these funds are received and spent during the same year.

All monies and noncash donations are to be used for the direct and indirect expenses of feeding the hungry.

Use of Estimates

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

Fixed Assets

Fixed Assets are recorded at cost if over \$5,000. Those fixed assets which have been donated to the Food Bank have been recorded at their fair value on the date the donations were made. All assets are being depreciated by use of the straight-line method.

<u>Type of Assets</u>	<u>Years Depreciated</u>
Auto and Trucks	5 years
Office Equipment	5 years
Warehouse Equipment	5 years
Capital Improvements	27.5 years

A summary of property, plant, and equipment for the years ended December 31, 2020 and 2019 follows:

	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/2020</u>
Land	\$ 30,600	\$ -	\$ -	\$ 30,600
Construction in Progress	-	8,948	-	8,948
Building and Equipment	3,502,534	392,408	(178,677)	3,716,265
Less: Accumulated Depreciation	(2,047,284)	(218,221)	178,677	(2,086,828)
Fixed Assets, Net	\$ 1,485,850	\$ 183,135	\$ -	\$ 1,668,985

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets (Continued)

For the years ended December 31, 2020, and 2019, the total depreciation expense was \$218,221 and \$177,696.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Inventory

For the years ended December 31, 2020, and 2019, there were three major classes of inventory: purchased food, donated food, and USDA Government Commodities.

For the years ended December 31, 2020, and 2019, inventory was valued at the lower of cost or market for purchased food on the first in/first out (FIFO) basis. Feeding America's product valuation method was used to determine the inventory value for donated food. For the year ended December 31, 2020, this figure represented a \$.05 decrease from the prior year. Commodities inventory was valued at USDA assigned values.

Cash Equivalents

For purposes of the Statement of Cash Flows, the Westmoreland County Food Bank, Inc., considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Westmoreland County Food Bank, Inc., carried no investments during the fiscal years ended December 31, 2020 and 2019.

Income Taxes

Westmoreland County Food Bank, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The Westmoreland County Food Bank, Inc. is not classified as a private foundation. The accounting standard on accounting for uncertainty income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Westmoreland County Food Bank, Inc. may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Westmoreland County Food Bank, Inc. and various positions related to the potential sources of unrelated business taxable income (UBTI). Tax benefits would be recognized in the financial statements from such a position and be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified nor recorded as liabilities for the years ended December 31, 2020 or 2019. The Westmoreland County Food Bank, Inc. files Form 990 in the U.S. federal jurisdiction. The Westmoreland County Food Bank, Inc. is generally no longer subject to examination by the Internal Revenue Service for years before 2017.

Date of Management's Review

Subsequent events have been evaluated through the Independent Auditor's Report Date, which is the date the financial statements were available to be issued.

WESTMORELAND COUNTY FOOD BANK, INC
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

NOTE 2: LIQUIDITY AND AVAILABILITY

Westmoreland County Food Bank, Inc. regularly monitors liquidity required to meet its operating needs and other commitments. Westmoreland County Food Bank, Inc. has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Westmoreland County Food Bank, Inc. considers expenditures related to its ongoing commitment to alleviate hunger before the value of inventory distributed or disposed, and depreciation expense. Inventory and the value of inventory donated \ distributed are not included in the analysis as these items are non-cash transactions and are recognized as revenues and expenses based on their value as determined by various methods.

In addition to financial assets available to meet general expenditures over the next 12 months, the Westmoreland County Food Bank, Inc. had access to a \$350,000 revolving line of credit (Note 9) which it did borrow against during 2019. In 2019, The Food Bank borrowed and paid back \$225,000 from the line of credit. In 2020, The Food Bank did not borrow against the line of credit. The Food Bank operates with a budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Westmoreland County Food Bank, Inc.'s cash and cash equivalents. It is the Food Bank's goal to have three to six months operating reserves on hand at any given time.

As of December 31, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and Cash Equivalents	5,708,601
Accounts Receivable	<u>63,503</u>
Financial Assets Available	5,772,104
Available Line of Credit	350,000
Cash Unavailable due to Donor Restrictions	<u>864,384</u>
Total Sources of Liquidity Available At December 31, 2020	<u>\$ 4,557,720</u>

NOTE 3: CONTINGENCIES

The Westmoreland County Food Bank, Inc. is unaware of any other asserted litigation that would materially affect the financial statements.

NOTE 4: PENSION

Effective January 1, 2005, the Board of Directors adopted a 401(k) Safe Harbor Plan, managed by the Mass Mutual Financial Group, using the American Funds Family of Mutual Funds as their investment choices. Employer contributions to the plan may consist of three parts, a three percent Safe Harbor contribution, a four and one half percent Discretionary Profit Sharing contribution, and a Discretionary Matching contribution on each eligible employee's wages. For the years ended December 31, 2020 and 2019, the Board approved a .25-cent match. Employer Contributions to the plan by the Westmoreland County Food Bank, Inc., totaled \$94,846 and \$80,732 for the years ended December 31, 2020 and 2019. The Westmoreland County Food Bank, Inc. offers employees the option to participate in a voluntary savings plan with no employer match with American Funds Service Company. For the years ended December 31, 2020, and 2019, no employees participated in the plan.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5: CONTRIBUTED SERVICES

For the years ended December 31, 2020 and 2019, the Westmoreland County Food Bank, Inc., received contributed services. These services consist of contributed time by volunteers, which is administered by the Westmoreland County Food Bank, Inc. For the above years, none of these services were recognized as revenue in accordance with FASB ASC section 958-605-25.

NOTE 6: ECONOMIC DEPENDENCY

For the years ended December 31, 2020 and 2019, the Westmoreland County Food Bank, Inc., received approximately 7.86 percent and 12.28 percent respectively of total cash revenue from the state food purchase program. If this program was discontinued, it would adversely affect the organization's financial position.

NOTE 7: CONCENTRATION OF CREDIT RISK

Westmoreland County Food Bank, Inc. maintains its bank accounts with Standard Bank. Accounts at the institution are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash may exceed federally insured limits at various times during the year. The amount in excess of the FDIC limit was \$4,958,601 as of December 31, 2020, and \$750,488 as of December 31, 2019. For the years ended December 31, 2020 and December 31, 2019, the uninsured deposits were collateralized in a pooled pledged account with Standard Bank, by FHL Bank of Pittsburgh. The safe keeping Department of the Bank has possession of, and is the custodian of the collateral securities.

NOTE 8: COMPENSATED ABSENCES

It is the policy of the Westmoreland County Food Bank, Inc., that an employee may carry over a maximum of five earned but unused vacation days from one year to the next. Upon voluntary termination of employment, an employee shall be paid for all earned, but unused vacations. Within thirty days after the end of a calendar year, the Westmoreland County Food Bank, Inc., will pay an employee for an unused sick day at his/her rate of pay in effect as of January 1 of the calendar year during which the sick days were given. An employee who leaves employment by either voluntarily or involuntarily actions shall not receive pay for unused sick days. The Westmoreland County Food Bank, Inc. paid out \$15,361 and \$13,699 for unused sick days for the years ended December 31, 2020 and December 31, 2019.

NOTE 9: REVOLVING LINE OF CREDIT

During March 2013, the Westmoreland County Food Bank, Inc., entered into a five-year \$350,000 revolving line of credit agreement with Standard Bank. The line of credit is secured by a first lien mortgage on the Westmoreland County Food Bank, Inc.'s real estate located in Delmont, Pennsylvania. Amounts borrowed on the line bear interest at 3.25 percent and had a maturity date of April 29, 2018. The revolving line of credit agreement maturity date was extended to April 13, 2022 with an interest rate of 4.75%. During 2019, the Westmoreland County Food Bank, Inc. borrowed and paid back \$225,000 from the line of credit. During 2020, the Westmoreland County Food Bank, Inc. did not borrow against the line of credit. At December 31, 2020 and 2019 there was no outstanding balance on the line of credit at year end.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 10: LEASE AGREEMENTS

During 2015, the Westmoreland County Food Bank, Inc. entered into lease agreements for 2 vehicles. The rental expense in 2020 under these agreements was \$44,831. Of this amount, \$41,990 was the base payment, while the remainder was the contingent payment determined by mileage. The future minimum payments are as follows:

2021	21,373
2022	1,649
	<u>\$ 23,022</u>

NOTE 11: PAYCHECK PROTECTION PROGRAM

The Westmoreland County Food Bank, Inc. received loan proceeds in the amount of \$305,400 under the Paycheck Protection Program ("PPP"). The PPP, established as part of Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying business for amounts up to 2.5 times of the average monthly payroll expenses of qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. During 2020, WCFB used the entire loan amount for qualifying expenses as described in the CARES Act and under the terms of the PPP, the entire loan was to be forgiven in 2020. As a result, WCFB recognized \$305,400 as income due to the forgiveness of the loans.

NOTE 12: RISKS AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the Organization's operations and financial results are uncertain at this time.

WESTMORELAND COUNTY FOOD BANK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER, 31 2020

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor/Contract Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed Through the Pennsylvania Department of Education:				
Summer Food Service Program for Children	10.559	300-65-209-0	\$ 60,581	\$ -
Passed Through Hunger-Free Pennsylvania:				
Commodity Supplemental Food Program	10.565	-	505,613 *	-
Passed Through the County of Westmoreland, Pennsylvania:				
Covid-19 Emergency Food Assistance Program (Admin Costs)	10.568	-	132,451 *	-
Emergency Food Assistance Program (Administrative Costs)	10.568		164,406 *	
Covid-19 Emergency Food Assistance Program (Commodities)	10.569		229,839 *	
Emergency Food Assistance Program (Commodities)	10.569	-	2,417,473 *	-
			<u>2,944,169</u>	<u>-</u>
Total Food Distribution Cluster			<u>3,449,782</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,510,363</u>	<u>-</u>
<u>U.S. Department Homeland Security</u>				
Passed Through the United Way of Westmoreland County				
Emergency Food and Shelter National Board Program	97.024	-	65,078	-
Total U.S. Department of Homeland Security			65,078	-
Total Expenditures of Federal Awards			<u>\$ 3,575,441</u>	<u>\$ -</u>

WESTMORELAND COUNTY FOOD BANK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: REPORTING ENTITY

The Westmoreland County Food Bank, Inc. is the reporting entity for financial reporting purposes as defined in Note 1 to the financial statements.

NOTE 2: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Westmoreland County Food Bank, Inc., and is presented on the accrual basis of accounting. 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 the preparation of, the basic financial statements. The Westmoreland County Food Bank did not use the 10% de minimis indirect cost rate.

NOTE 3: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the USDA assigned values of the commodities received and disbursed. At December 31, 2020, the Food Bank had food commodities totaling \$577,943 in inventory.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Westmoreland County Food Bank, Inc.
100 Devonshire Drive
Delmont, Pennsylvania 15626

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Westmoreland County Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Zelenkofske Axelrod LLC

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Board of Directors of the
Westmoreland County Food Bank, Inc.
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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 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.

Zelenkofske Axelrod LLC

Zelenkofske Axelrod LLC

Greensburg, Pennsylvania
June 21, 2021



Zelenkofske Axelrod LLC

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

To the Board of Directors of the
Westmoreland County Food Bank, Inc.
100 Devonshire Drive
Delmont, Pennsylvania 15626

Report on Compliance for Each Major Federal Program

We have audited the Westmoreland County Food Bank, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Westmoreland County Food Bank, Inc.'s major federal program for the year ended December 31, 2020. The Westmoreland County Food Bank, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Westmoreland County Food Bank, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect of its major federal program for the year ended December 31, 2020.



Zelenkofske Axlerod LLC

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Report on Internal Control Over Compliance

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

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

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

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

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Greensburg, Pennsylvania
June 21, 2021

WESTMORELAND FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified not considered to be material weaknesses?
 yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified not considered to be material weaknesses?
 yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Act
 yes no

Identification of major programs:

CFDA Numbers

Name of Federal Programs or Clusters

10.565/10.568/10.569

Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

WESTMORELAND FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section II – Findings Relating to the Financial Statements Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

No matters were reported.

Section III – Findings and Questioned Costs for Federal Awards

No matters were reported.

WESTMORELAND FOOD BANK, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

There were no audit findings in the prior year.