

WESTMORELAND COUNTY FOOD BANK, INC.

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

YEARS ENDED DECEMBER 31, 2021 AND 2020

WESTMORELAND COUNTY FOOD BANK, INC.
YEARS ENDED DECEMBER 31, 2021 AND 2020

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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 Audit of the Financial Statements

Opinion

We have audited the financial statements of the Westmoreland County Food Bank, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Westmoreland County Food Bank, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Westmoreland County Food Bank, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Westmoreland County Food Bank, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Westmoreland County Food Bank, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Westmoreland County Food Bank, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 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



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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 schedule of expenditures of federal awards 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 2, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Westmoreland County Food Bank Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Westmoreland County Food Bank Inc.'s internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Greensburg, Pennsylvania
June 2, 2022

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 6,621,987	\$ 5,708,601
Accounts Receivable	115,695	63,503
Inventory	1,034,001	1,413,427
Other Assets	<u>7,877</u>	<u>7,877</u>
Total Current Assets	<u>7,779,560</u>	<u>7,193,408</u>
Fixed Assets:		
Land	30,600	30,600
Construction in Progress	195,105	8,948
Building and Equipment	3,723,195	3,716,265
Less: Accumulated Depreciation	<u>(2,071,568)</u>	<u>(2,086,828)</u>
Net Fixed Assets	<u>1,877,332</u>	<u>1,668,985</u>
Total Assets	<u>\$ 9,656,892</u>	<u>\$ 8,862,393</u>
Total Liabilities and Net Assets		
Current Liabilities:		
Accrued Liabilities	\$ 47,751	\$ 9,945
Accounts Payable	137,912	133,443
Unearned Revenues	<u>475,093</u>	<u>585,820</u>
Total Current Liabilities	<u>660,756</u>	<u>729,208</u>
Net Assets:		
With Donor Restrictions	600,287	864,384
Without Donor Restrictions	<u>8,395,849</u>	<u>7,268,801</u>
Total Net Assets	<u>8,996,136</u>	<u>8,133,185</u>
Total Liabilities and Net Assets	<u>\$ 9,656,892</u>	<u>\$ 8,862,393</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, 2021 AND 2020

	2021	2021	Totals	
	Without Donor Restrictions	With Donor Restrictions	2021	2020
Support and Revenue:				
Public Support:				
Grants and Contracts	\$ 1,789,416	\$ 592,106	\$ 2,381,522	\$ 4,312,477
Donated Food	5,500,438	-	5,500,438	5,999,265
Contributions, Other	10,700	-	10,700	1,400
Corporate and Individual Donations	3,533,608	-	3,533,608	5,237,860
Donations, Other	<u>5,045</u>	<u>-</u>	<u>5,045</u>	<u>2,920</u>
Total Public Support	10,839,207	592,106	11,431,313	15,553,922
Revenue:				
Interest Income	36,513	-	36,513	17,821
Rental Income	-	-	-	4,796
Other Income	13,496	-	13,496	6,697
Salvage Income	7,128	-	7,128	-
Trucking Income	31,650	-	31,650	38,600
Membership Fees	4,550	-	4,550	5,080
Forgiveness of PPP Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,400</u>
Total Revenue	93,337	-	93,337	378,394
Net assets released from restrictions	<u>856,203</u>	<u>(856,203)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>11,788,747</u>	<u>(264,097)</u>	<u>11,524,650</u>	<u>15,932,316</u>
Expenses:				
Program Services	9,851,608	-	9,851,608	10,237,472
Management and General	302,205	-	302,205	192,797
Fundraising	<u>507,886</u>	<u>-</u>	<u>507,886</u>	<u>514,351</u>
Total Expenses	<u>10,661,699</u>	<u>-</u>	<u>10,661,699</u>	<u>10,944,620</u>
Change in net assets	1,127,048	(264,097)	862,951	4,987,696
Net Assets:				
Beginning of year	<u>7,268,801</u>	<u>864,384</u>	<u>8,133,185</u>	<u>3,145,489</u>
End of year	<u>\$ 8,395,849</u>	<u>\$ 600,287</u>	<u>\$ 8,996,136</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.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	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>
Salaries and Wages	\$ 466,947	\$ 7,447	\$ 49,574	\$ 88,185	\$ 71,333	\$ 206,237
Employee Benefits	163,916	2,699	24,195	37,059	22,253	45,501
Payroll Taxes	29,507	570	3,792	6,746	5,457	15,777
Payroll Services	254	254	254	254	254	254
Workers Compensation	8,667	277	822	1,748	1,304	4,896
Unemployment Compensation	891	890	891	891	891	891
Overtime Wages	297	-	-	-	-	52
Part Time Wages	-	2,032	-	-	-	-
Part Time Taxes	-	156	-	-	-	-
Employee Cost	602	-	130	130	130	130
Total Salaries and Related Expenses	671,081	14,325	79,658	135,013	101,622	273,738
Delivery Costs / Truck	59,428	-	7,924	7,924	-	-
Fundraising Expense	20,425	20,425	20,425	20,425	20,425	20,425
Insurance	1,437	-	1,432	1,432	1,432	1,432
Miscellaneous Expense	2,430	2,343	2,343	2,343	2,343	5,867
Office Expense	2,505	2,435	2,435	2,435	2,435	2,435
Professional Fees	3,553	3,553	3,553	3,553	3,553	20,999
Program Expenses	1,625,521	92,798	4,020	18,270	8,129	11,757
Repairs and Maintenance	79,586	2,273	2,273	2,273	2,273	2,273
Donated Gift Certificate	-	-	-	-	-	17,050
Reimbursable Expenses	2,183	132	1,140	657	345	1,245
Utilities and Telephone	26,878	1,258	1,258	1,258	1,258	1,258
Warehouse Expense	86,779	-	11,570	11,570	-	-
Loss on Disposal of Assets	2,517	-	-	-	-	-
Total Expenses Before Inventory Distributions and Depreciation	2,584,323	139,542	138,031	207,153	143,815	358,479
Value of Price Adjustment	38,012	-	-	-	-	-
Value of TEFAP Distributed	1,048,539	-	-	-	-	349,513
Value of CSFP Product Distributed	107,000	-	-	107,000	-	107,000
Value of Donated Food Distributed	1,765,377	-	882,687	-	-	882,687
Value of CFAP Food Distributed	-	-	-	-	-	-
Value of Donated Food Disposed	283,169	-	-	-	-	-
Value of CSFP Food Disposed	-	-	-	375	-	-
Total Expenses Before Depreciation	5,826,420	139,542	1,020,718	314,528	143,815	1,697,679
Depreciation Expense	169,483	-	5,588	5,588	5,587	5,588
Total Expenses	\$ 5,995,903	\$ 139,542	\$ 1,026,306	\$ 320,116	\$ 149,402	\$ 1,703,267

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, 2021

	<u>Food Solicitation</u>	<u>Expansion Program</u>	<u>SNAP</u>	<u>Food Drives</u>	<u>Backpack</u>	<u>Military Share</u>
Salaries and Wages	\$ 14,309	\$ 3,279	\$ 34,618	\$ 14,807	\$ 7,516	\$ 8,516
Employee Benefits	4,505	1,422	8,083	3,614	4,406	4,182
Payroll Taxes	1,095	251	2,648	1,133	575	652
Payroll Services	254	254	254	254	254	254
Workers Compensation	245	64	1,243	388	202	244
Unemployment Compensation	891	891	891	891	891	891
Overtime Wages	-	-	-	-	-	-
Part Time Wages	-	-	-	-	-	-
Part Time Taxes	-	-	-	-	-	-
Employee Cost	130	130	130	130	130	130
Total Salaries and Related Expenses	21,429	6,291	47,867	21,217	13,974	14,869
Delivery Costs / Truck	-	-	-	7,924	7,924	7,924
Fundraising Expense	20,425	20,425	20,425	20,615	20,425	20,425
Insurance	1,432	1,432	1,432	1,432	1,432	1,432
Miscellaneous Expense	2,343	2,343	3,843	2,344	2,343	2,343
Office Expense	2,435	2,968	2,435	2,435	2,435	2,435
Professional Fees	3,553	3,553	3,553	3,553	3,553	3,553
Program Expenses	3,037	10,750	5,472	3,227	68,442	3,037
Repairs and Maintenance	2,273	2,274	2,273	2,273	2,273	2,273
Donated Gift Certificate	-	-	-	-	-	-
Reimbursable Expenses	-	-	162	232	284	239
Utilities and Telephone	1,258	1,258	1,258	1,258	1,258	1,258
Warehouse Expense	-	-	-	11,570	11,570	11,570
Loss on Disposal of Assets	-	-	-	-	-	-
Total Expenses Before Inventory Distributions and Depreciation	58,185	51,294	88,720	78,080	135,913	71,358
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	-	-	-	-	-	-
Value of CSFP Food Disposed	-	-	-	-	-	-
Total Expenses Before Depreciation	58,185	51,294	88,720	78,080	135,913	71,358
Depreciation Expense	5,587	5,587	5,587	5,587	5,587	5,587
Total Expenses	\$ 63,772	\$ 56,881	\$ 94,307	\$ 83,667	\$ 141,500	\$ 76,945

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, 2021

	<u>Total Program Service</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Total</u>
Salaries and Wages	\$ 972,768	\$ 195,672	\$ 92,796	\$ 1,261,236
Employee Benefits	321,835	61,578	14,853	398,266
Payroll Taxes	68,203	14,969	7,099	90,271
Payroll Services	3,048	254	763	4,065
Workers Compensation	20,100	2,588	1,157	23,845
Unemployment Compensation	10,691	891	2,672	14,254
Overtime Wages	349	-	-	349
Part Time Wages	2,032	-	-	2,032
Part Time Taxes	156	-	-	156
Employee Cost	1,902	786	390	3,078
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Total Salaries and Related Expenses	1,401,084	276,738	119,730	1,797,552
Delivery Costs / Truck	99,048	-	-	99,048
Fundraising Expense	245,290	-	291,904	537,194
Insurance	15,757	1,432	2,864	20,053
Miscellaneous Expense	33,228	2,942	8,756	44,926
Office Expense	29,823	2,614	10,350	42,787
Professional Fees	60,082	3,553	35,278	98,913
Program Expenses	1,854,460	3,037	15,955	1,873,452
Repairs and Maintenance	104,590	2,273	6,819	113,682
Donated Gift Certificate	17,050	-	-	17,050
Reimbursable Expenses	6,619	2,770	1,281	10,670
Utilities and Telephone	40,716	1,258	3,774	45,748
Warehouse Expense	144,629	-	-	144,629
Loss on Disposal of Assets	2,517	-	-	2,517
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Total Expenses Before Inventory Distributions and Depreciation	4,054,893	296,617	496,711	4,848,221
Value of Price Adjustment	38,012	-	-	38,012
Value of TEFAP Distributed	1,398,052	-	-	1,398,052
Value of CSFP Product Distributed	321,000	-	-	321,000
Value of Donated Food Distributed	3,530,751	-	-	3,530,751
Value of CFAP Food Distributed	-	-	-	-
Value of Donated Food Disposed	283,169	-	-	283,169
Value of CSFP Product Disposed	375	-	-	375
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Total Expenses Before Depreciation	9,626,252	296,617	496,711	10,419,580
Depreciation Expense	225,356	5,588	11,175	242,119
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Total Expenses	\$ 9,851,608	\$ 302,205	\$ 507,886	\$ 10,661,699

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>
Salaries and Wages	\$ 483,266	\$ 6,838	\$ 12,455	\$ 78,304	\$ 99,142	\$ 196,048
Employee Benefits	170,902	1,961	3,653	27,980	36,115	44,884
Payroll Taxes	31,130	523	952	5,990	7,584	14,997
Payroll Services	243	243	243	243	243	243
Workers Compensation	10,507	172	344	1,974	2,821	5,591
Unemployment Compensation	747	758	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
Total Salaries and Related Expenses	702,840	13,124	18,394	115,238	146,826	262,797
Delivery Costs / Truck	69,139	-	7,681	7,681	-	-
Fundraising Expense	2,737	2,737	2,737	2,737	2,737	2,737
Insurance	1,527	-	1,521	1,521	1,521	1,521
Miscellaneous Expense	1,319	864	864	864	939	984
Office Expense	2,122	2,122	2,122	2,122	2,122	2,247
Professional Fees	3,598	3,598	3,598	3,598	3,598	11,148
Program Expenses	1,098,488	63,296	365	6,672	8,733	41,311
Repairs and Maintenance	80,054	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
Utilities and Telephone	28,636	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
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
Depreciation Expense	152,758	-	4,676	4,676	4,676	4,676
Total Expenses	\$ 6,210,840	\$ 89,137	\$ 805,687	\$ 300,641	\$ 174,938	\$ 1,933,328

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

	<u>Food Solicitation</u>	<u>Expansion Program</u>	<u>SNAP</u>	<u>Food Drives</u>	<u>Backpack</u>	<u>Military Share</u>
Salaries and Wages	\$ 12,123	\$ 2,639	\$ 23,893	\$ 8,858	\$ 15,523	\$ 6,473
Employee Benefits	3,149	723	3,058	2,124	4,259	2,083
Payroll Taxes	927	201	1,827	677	1,187	495
Payroll Services	243	243	243	243	243	243
Workers Compensation	186	60	761	230	410	143
Unemployment Compensation	747	747	747	747	747	747
Overtime Wages	-	-	75	-	-	-
Part Time Wages	-	-	-	-	-	-
Part Time Taxes	-	-	-	-	-	-
Employee Cost	-	-	-	-	-	-
Total Salaries and Related Expenses	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
Insurance	1,521	1,521	1,521	1,521	1,521	1,521
Miscellaneous Expense	864	864	864	864	864	864
Office Expense	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
Program Expenses	737	5,000	737	165	64,134	737
Repairs and Maintenance	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
Warehouse Expense	-	-	-	14,669	14,669	14,669
Total Expenses Before Inventory Distributions and Depreciation	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	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
Total Expenses	\$ 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
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	\$ 980,214	\$ 119,441	\$ 89,549	\$ 1,189,204
Employee Benefits	8,903	309,794	44,688	14,707	369,189
Payroll Taxes	2,650	69,140	5,254	6,849	81,243
Payroll Services	243	3,159	241	729	4,129
Workers Compensation	887	24,086	1,914	2,206	28,206
Unemployment Compensation	747	9,722	747	2,241	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
Total Salaries and Related Expenses	48,082	1,405,325	172,585	116,281	1,694,191
Delivery Costs / Truck	7,681	115,225	-	-	115,225
Fundraising Expense	2,737	35,581	-	298,198	333,779
Insurance	1,521	18,258	1,521	3,042	22,821
Miscellaneous Expense	864	11,882	632	2,672	15,186
Office Expense	2,122	27,711	2,122	39,775	69,608
Professional Fees	3,598	54,324	5,210	30,823	90,357
Program Expenses	7,574	1,297,949	89	3,038	1,301,076
Repairs and Maintenance	2,143	105,770	2,143	6,429	114,342
Donated Gift Certificate	-	56,160	-	-	56,160
Reimbursable Expenses	889	8,411	2,603	1,090	12,104
Utilities and Telephone	1,217	43,240	1,217	3,651	48,108
Warehouse Expense	14,669	220,045	-	-	220,045
Total Expenses Before Inventory Distributions and Depreciation	93,097	3,399,881	188,122	504,999	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	10,033,278	188,122	504,999	10,726,399
Depreciation Expense	4,676	204,194	4,675	9,352	218,221
Total Expenses	\$ 371,885	\$ 10,237,472	\$ 192,797	\$ 514,351	\$ 10,944,620

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

WESTMORELAND COUNTY FOOD BANK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 862,951	\$ 4,987,696
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	242,119	218,221
Loss on disposal of fixed assets	2,517	-
Forgiveness of PPP Loans	-	(305,400)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(52,192)	56,373
Inventory	379,426	(372,452)
Increase (Decrease) in Operating Liabilities:		
Accrued Liabilities	37,806	(47,560)
Accounts Payable	4,469	61,576
Unearned Revenue	(110,727)	205,615
Net Cash Provided By Operating Activities	1,366,369	4,804,069
Cash Flows from Investing Activities:		
Capital Additions	(452,983)	(401,356)
Net Cash Used in Investing Activities	(452,983)	(401,356)
Cash Flows from Financing Activities:		
Proceeds from PPP loans	-	305,400
Net Cash Provided by Financing Activities	-	305,400
Increase in Cash and Cash Equivalents	913,386	4,708,113
Cash and Cash Equivalents, January 1	5,708,601	1,000,488
Cash and Cash Equivalents, December 31	\$ 6,621,987	\$ 5,708,601

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, 2021 AND 2020

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 2021, 4,144 volunteers gave a total of 59,127 hours.

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, 2021 AND 2020

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. In 2021, 125,844 pounds of food was collected through food drives.

Backpack: Westmoreland County Food Bank supplies weekend meal kits to 497 students from 16 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, 2021 AND 2020

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.

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. Included within Net Assets Without Donor Restrictions were \$20,354 of net assets restricted by the Board of Directors of the Westmoreland County Food Bank, Inc. for certain programs at December 31, 2021.
- *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. At December 31, 2021, the Westmoreland County Food Bank had \$600,287 of Net Assets with Donor Restrictions. At December 31, 2020, the Westmoreland County Food Bank had \$864,384 of Net Assets with Donor Restrictions.

Revenue Recognition

Effective January 1, 2021, the Westmoreland County Food Bank, Inc. adopted the Financial Accounting Standards (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606), and as such, follows the revised revenue recognition policy below.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Revenue Recognition (Continued)

WCFB adopted Topic 606 using the modified retrospective method, under which, rather than restating the comparative year, WCFB recognizes the cumulative effect of applying ASC 606 as an adjustment (if any) to opening net assets in the period of the initial application (January 1, 2021). Based on the analysis performed by WCFB, there was no material effect on net assets as of January 1, 2021. Under ASC 606, revenue is recognized in accordance with a five-step model, which includes: identifying the contracts with customers; identifying the separate performance obligations; determining the transaction price; allocating the transaction price to the separate performance obligations; and recognizing revenue when (or as) each performance obligation is satisfied.

WCFB generates revenue from individual contracts with customers, primarily through trucking income and membership fees. The provisions of ASC 606 are applied by WCFB on an individual contract basis. As a practical expedient, WCFB applies this Topic to a portfolio of contracts with similar characteristics. WCFB expects that the effects of applying this guidance to the portfolios would not significantly differ from applying the guidance to the individual contracts within the portfolio. There was no revenue recognized during the year ended December 31, 2021 from performance obligations that were satisfied or partially satisfied in prior periods.

Public Support

Public support consists of certain grants and donations from governments, corporations, foundations, individuals and other organizations, as well as donated food.

WCFB primarily receives support through donated food, which is recorded as an in-kind contribution. Revenues from donated food and the related fees are reported on the accompanying statement of activities in the fiscal year in which the food is delivered.

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.

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.

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.

WESTMORELAND COUNTY FOOD BANK, INC
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021 AND 2020

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

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 fixed assets are being depreciated by use of the straight-line method over their estimated useful lives.

<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, 2021 and 2020 follows:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/2021</u>
Land	\$ 30,600	\$ -	\$ -	\$ 30,600
Construction in Progress	8,948	195,105	(8,948)	195,105
Building and Equipment	3,716,265	266,826	(259,896)	3,723,195
Less: Accumulated Depreciation	(2,086,828)	(242,119)	257,379	(2,071,568)
Fixed Assets, Net	\$ 1,668,985	\$ 219,812	\$ (11,465)	\$ 1,877,332

For the years ended December 31, 2021, and 2020, the total depreciation expense was \$242,119 and \$218,221.

Management reviews the carrying value of fixed assets for impairment whenever events or changes in circumstances indicate that the related carrying value might not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying value of the asset to future net undiscounted cash flows expected to be generated by the asset. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying value of the asset exceeds the related estimated fair value, based on appraisals or other methods to estimate fair value. No impairment loss was recognized in either 2021 or 2020.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based primarily on personnel time on the related activities and square footage of the building. All other expenses are allocated based on actual usage.

Inventory

For the years ended December 31, 2021, and 2020, there were three major classes of inventory: purchased food, donated food, and USDA Government Commodities.

For the years ended December 31, 2021, and 2020, 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, 2021, this figure represented a \$.12 increase from the prior year. Commodities inventory was valued at USDA assigned values.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

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.

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, 2021 or 2020. 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 2018.

Fair Value Measurements

The Westmoreland County Food Bank, Inc. deems that the carrying amount of cash and cash equivalents, receivables, other assets, accounts payable, accrued liabilities and unearned revenues approximates fair value due to the short-term nature of these assets and liabilities.

Reclassifications

Certain reclassifications have been made to the 2020 financial statement balances in order to be consistent with the 2021 presentation.

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.

NOTE 2: LIQUIDITY AND AVAILABILITY OF RESOURCES

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.

WESTMORELAND COUNTY FOOD BANK, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2: LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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 not borrow against during 2021 or 2020. 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, 2021 and 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

December 31,	2021	2020
Cash and Cash Equivalents	6,621,987	5,708,601
Accounts Receivable	<u>115,695</u>	<u>63,503</u>
Financial Assets Available	6,737,682	5,772,104
Available Line of Credit	350,000	350,000
Cash Unavailable due to Donor Restrictions	<u>600,287</u>	<u>864,384</u>
Total Sources of Liquidity Available At December 31, 2021	<u>\$ 5,787,395</u>	<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, 2021 and 2020, the Board approved a .25-cent match. Employer Contributions to the plan by the Westmoreland County Food Bank, Inc., totaled \$109,584 and \$94,846 for the years ended December 31, 2021 and 2020. 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, 2021, and 2020, no employees participated in the plan.

NOTE 5: CONTRIBUTED SERVICES

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020, the Westmoreland County Food Bank, Inc., received approximately 7.50 percent and 7.86 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.

WESTMORELAND COUNTY FOOD BANK, INC
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021 AND 2020

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 \$6,235,741 as of December 31, 2021, and \$5,357,303 as of December 31, 2020. For the years ended December 31, 2021 and December 31, 2020, 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 \$16,840 and \$15,361 for unused sick days for the years ended December 31, 2021 and December 31, 2020 respectively.

NOTE 9: REVOLVING LINE OF CREDIT

The Westmoreland County Food Bank, Inc., has a \$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, 2022. During April of 2022, the revolving line of credit was extended through April 29, 2023 with borrowings bearing interest at a rate of 3.5 percent. The Westmoreland County Food Bank, Inc. did not borrow against the line of credit during 2021 or 2020. At December 31, 2021 and 2020 there was no outstanding balance on the line of credit at year end.

NOTE 10: LEASE AGREEMENTS

During 2015, the Westmoreland County Food Bank, Inc. entered into lease agreements for two vehicles. The rental expense under these agreements for the years 2021 and 2020 was \$44,381 and \$44,831 respectively. Of these amounts, \$40,809 and \$41,990 were the base payments, while the remainder was the contingent payment determined by mileage. The future minimum payments are as follows:

2022	\$	21,021
2023		12,262
	\$	<u>33,283</u>

WESTMORELAND COUNTY FOOD BANK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal AL 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 Hunger-Free Pennsylvania:				
Commodity Supplemental Food Program	10.565	-	532,570 *	-
Passed Through the County of Westmoreland, Pennsylvania:				
Covid-19 Emergency Food Assistance Program (Admin Costs)	10.568	-	6,412 *	-
Emergency Food Assistance Program (Administrative Costs)	10.568	-	61,252 *	-
Covid-19 Emergency Food Assistance Program (Commodities)	10.569	-	187,691 *	-
Emergency Food Assistance Program (Commodities)	10.569	-	1,028,411 *	-
			<u>1,283,766</u>	<u>-</u>
Total Food Distribution Cluster			<u>1,816,336</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,816,336</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	-	107,412	-
Total U.S. Department of Homeland Security			107,412	-
Total Expenditures of Federal Awards			<u>\$ 1,923,748</u>	<u>\$ -</u>

* Denotes program tested as major

WESTMORELAND COUNTY FOOD BANK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, the Food Bank had food commodities totaling \$467,216 in inventory.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021, 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 2, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statement. 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*.



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Board of Directors of the
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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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axelrod LLC

Zelenkofske Axelrod LLC

Greensburg, Pennsylvania
June 2, 2022



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Opinion on Each Major Federal Program

We have audited the Westmoreland County Food Bank, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

In our opinion, the Westmoreland County Food Bank, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Westmoreland County Food Bank, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Westmoreland County Food Bank, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Westmoreland County Food Bank, Inc.'s federal programs.



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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Westmoreland County Food Bank, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Westmoreland County Food Bank, Inc.'s compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Westmoreland County Food Bank, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Westmoreland County Food Bank, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Westmoreland County Food Bank, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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



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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 2, 2022

WESTMORELAND FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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:

AL 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, 2021

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, 2021

There were no audit findings in the prior year.