



THE WHITLOCK CO.

*CPAs and Consultants*

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**

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**CONSOLIDATED FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION  
with  
INDEPENDENT AUDITOR'S REPORTS  
and  
REPORTS ON COMPLIANCE**

**YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Ozarks Food Harvest, Inc. and Supporting Organization  
Springfield, Missouri

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of **Ozarks Food Harvest, Inc. and Supporting Organization (a not-for-profit organization and related foundation)**, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Ozarks Food Harvest, Inc. and Supporting Organization** as of June 30, 2023 and 2022, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits 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 Consolidated Financial Statements section of our report. We are required to be independent of **Ozarks Food Harvest Inc. and Supporting Organization**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements***

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

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

### ***Auditor's Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 **Ozarks Food Harvest, Inc. and Supporting Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Ozarks Food Harvest, Inc. and Supporting Organization'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.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). The supplementary Consolidating Schedule is presented for purpose of additional analysis. These schedules are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024 on our consideration of **Ozarks Food Harvest, Inc. and Supporting Organization'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 the internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the effectiveness **Ozarks Food Harvest, Inc. and Supporting Organization'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 **Ozarks Food Harvest, Inc. and Supporting Organization's** internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "THE WHITLOCK CO., LLP". The signature is written in a cursive, slightly slanted style.

Springfield, Missouri  
January 2, 2024

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

ASSETS

	June 30,	
	2023	2022
<b>Current assets</b>		
Cash and cash equivalents	\$ 517,620	\$ 424,953
Grants receivable	115,704	181,592
Prepaid rent	2,324	973
Pledges receivable	-	9,167
Inventory	1,982,474	1,763,992
<b>Total current assets</b>	<b>2,618,122</b>	<b>2,380,677</b>
<b>Fixed assets</b>		
Property and equipment, net of accumulated depreciation	8,108,058	8,639,293
<b>Investments</b>		
Beneficial interest in Community Foundation of the Ozarks	8,666,239	12,360,863
Investments - Ozarks Food Harvest Foundation	8,785,968	5,060,912
<b>Total investments</b>	<b>17,452,207</b>	<b>17,421,775</b>
<b>Total assets</b>	<b>\$ 28,178,387</b>	<b>\$ 28,441,745</b>

LIABILITIES AND NET ASSETS

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 54,778	\$ 168,717
Deferred revenue	157,347	221,075
Agency fees liabilities	67,500	255,785
<b>Total current liabilities</b>	<b>279,625</b>	<b>645,577</b>
<b>Net assets</b>		
Without donor restriction	27,898,762	27,796,168
With donor restriction	-	-
<b>Total net assets</b>	<b>27,898,762</b>	<b>27,796,168</b>
<b>Total liabilities and net assets</b>	<b>\$ 28,178,387</b>	<b>\$ 28,441,745</b>

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended June 30, 2023		
	Without Donor Restriction	With Donor Restriction	Total
<b>Gains and support</b>			
Food contributions	\$ 29,704,362	\$ -	\$ 29,704,362
Individual, corporate, and foundation contributions	3,896,753	-	3,896,753
Direct mail	1,088,404	-	1,088,404
USDA commodity contributions	5,844,280	-	5,844,280
Purchased product fees - agency	2,373,139	-	2,373,139
Federal and other grants	2,811,547	-	2,811,547
Food assistance program (TEFAP)	436,613	-	436,613
Food assistance program (CACFP)	230,948	-	230,948
Food assistance program (SNAP)	26,267	-	26,267
Food assistance program (CSFP)	292,602	-	292,602
Summer food programs	102,810	-	102,810
Investment income	1,168,232	-	1,168,232
NAP credits income	219,919	-	219,919
Miscellaneous	20,234	-	20,234
Total revenues	48,216,110	-	48,216,110
<b>Net assets released from restrictions</b>	-	-	-
<b>Total net revenue, gains, and support</b>	48,216,110	-	48,216,110
<b>Expenses</b>			
Program services	45,899,486	-	45,899,486
Fundraising	957,487	-	957,487
General and administrative	1,256,543	-	1,256,543
Total expenses	48,113,516	-	48,113,516
<b>Increase in net assets</b>	102,594	-	102,594
Net assets at beginning of year	27,796,168	-	27,796,168
Net assets at end of year	\$ 27,898,762	\$ -	\$ 27,898,762

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended June 30, 2022		
	Without Donor	With Donor	Total
	Restriction	Restriction	
<b>Gains and support</b>			
Food contributions	\$ 24,933,272	\$ -	\$ 24,933,272
Individual, corporate, and foundation contributions	3,560,589	-	3,560,589
Disaster relief	523,209	-	523,209
Direct mail	1,226,843	-	1,226,843
USDA commodity contributions	7,277,027	-	7,277,027
Purchased product fees - agency	1,765,559	-	1,765,559
Federal and other grants	2,063,717	-	2,063,717
Food assistance program (TEFAP)	632,466	-	632,466
Food assistance program (CACFP)	203,239	-	203,239
Food assistance program (SNAP)	50,313	-	50,313
Food assistance program (CSFP)	351,937	-	351,937
Summer food programs	111,651	-	111,651
Investment loss	(886,913)	-	(886,913)
NAP credits income	215,195	-	215,195
Miscellaneous	10,495	-	10,495
Total revenues	42,038,599	-	42,038,599
 <b>Net assets released from restrictions</b>	 -	 -	 -
 <b>Total net revenue, gains, and support</b>	 42,038,599	 -	 42,038,599
 <b>Expenses</b>			
Program services	42,781,901	-	42,781,901
Fundraising	916,508	-	916,508
General and administrative	1,142,951	-	1,142,951
Total expenses	44,841,360	-	44,841,360
 <b>Decrease in net assets</b>	 (2,802,761)	 -	 (2,802,761)
 Net assets at beginning of year	 30,598,929	 -	 30,598,929
 Net assets at end of year	 \$ 27,796,168	 \$ -	 \$ 27,796,168

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

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

	Year Ended June 30, 2023			
	Program services	Fundraising	General and administrative	Total
<b>Payroll</b>				
Salaries	\$ 2,732,712	\$ 435,650	\$ 792,091	\$ 3,960,453
Employee benefits	522,632	83,318	151,488	757,438
Payroll taxes	<u>193,287</u>	<u>30,814</u>	<u>56,025</u>	<u>280,126</u>
Total payroll and benefits	<u>3,448,631</u>	<u>549,782</u>	<u>999,604</u>	<u>4,998,017</u>
<b>Other expenses</b>				
Food disbursements and waste	38,717,770	-	-	38,717,770
Agency capacity building grants	491,017	-	-	491,017
Non-federal grant activities	419,440	-	-	419,440
Subrecipients	338,315	-	-	338,315
Special events	14,267	3,292	4,390	21,949
Transportation expenses	568,272	-	-	568,272
Temporary personnel	37,120	-	-	37,120
Office supplies	116	116	22,970	23,202
Supplies	53,785	12,412	16,549	82,746
Advertising	176,109	176,109	-	352,218
Dues and subscriptions	65,213	20,065	15,049	100,327
Printing, promotion, and publications	5,565	30,607	19,477	55,649
Professional fees	277,069	63,939	85,252	426,260
Postage	26,745	26,746	-	53,491
Travel	4,249	4,249	-	8,498
Telephone	30,195	1,678	1,678	33,551
Training	725	128	-	853
Utilities	180,666	10,037	10,037	200,740
Computer expenses	5,372	1,240	1,653	8,265
Repairs and maintenance	166,156	9,231	9,231	184,618
Conferences and meetings	-	-	18,431	18,431
NAP expenses	190,294	-	-	190,294
Depreciation	625,634	34,757	34,757	695,148
Miscellaneous	<u>56,761</u>	<u>13,099</u>	<u>17,465</u>	<u>87,325</u>
Total other expenses	<u>42,450,855</u>	<u>407,705</u>	<u>256,939</u>	<u>43,115,499</u>
<b>Total expenses</b>	<u>\$ 45,899,486</u>	<u>\$ 957,487</u>	<u>\$ 1,256,543</u>	<u>\$ 48,113,516</u>

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

	Year Ended June 30, 2022			
	Program services	Fundraising	General and administrative	Total
Payroll				
Salaries	\$ 2,470,457	\$ 393,841	\$ 716,075	\$ 3,580,373
Employee benefits	489,305	78,005	141,828	709,138
Payroll taxes	<u>157,011</u>	<u>25,031</u>	<u>45,510</u>	<u>227,552</u>
Total payroll and benefits	<u>3,116,773</u>	<u>496,877</u>	<u>903,413</u>	<u>4,517,063</u>
Other expenses				
Food disbursements and waste	35,799,745	-	-	35,799,745
Disaster relief	63,148	-	-	63,148
Agency capacity building grants	1,042,806	-	-	1,042,806
Subrecipients	313,742	-	-	313,742
Special events	8,561	1,976	2,634	13,171
Transportation expenses	476,430	-	-	476,430
Temporary personnel	152,555	-	-	152,555
Office supplies	111	112	22,082	22,305
Supplies	41,808	9,648	12,864	64,320
Advertising	199,750	199,751	-	399,501
Dues and subscriptions	65,078	20,024	15,018	100,120
Printing, promotion, and publications	4,971	27,344	17,401	49,716
Professional fees	261,679	60,387	80,516	402,582
Postage	23,922	23,922	-	47,844
Travel	2,154	2,154	-	4,308
Telephone	21,179	1,177	1,177	23,533
Training	3,221	569	-	3,790
Utilities	167,920	9,329	9,329	186,578
Computer expenses	1,770	408	545	2,723
Repairs and maintenance	146,133	8,119	8,119	162,371
Conferences and meetings	-	-	9,405	9,405
NAP expenses	118,872	-	-	118,872
Depreciation	674,991	37,500	37,500	749,991
Miscellaneous	<u>74,582</u>	<u>17,211</u>	<u>22,948</u>	<u>114,741</u>
Total other expenses	<u>39,665,128</u>	<u>419,631</u>	<u>239,538</u>	<u>40,324,297</u>
Total expenses	<u>\$ 42,781,901</u>	<u>\$ 916,508</u>	<u>\$ 1,142,951</u>	<u>\$ 44,841,360</u>

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

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended June 30,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ 102,594	\$ (2,802,761)
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	695,148	749,991
Loss on disposal of asset	-	253
Net realized and unrealized (gains) losses on investments	(599,126)	763,863
(Increase) decrease in:		
Accounts receivable	65,888	27,217
Prepaid rent	(1,351)	17,220
Pledges receivable	9,167	54,400
Inventories	(218,482)	468,113
Increase (decrease) in:		
Accounts payable and accrued expenses	(113,939)	118,462
Deferred revenue	(63,728)	221,075
Agency fees liabilities	(188,285)	227,239
	(312,114)	(154,928)
<b>Net cash used in operating activities</b>		
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(163,913)	(132,376)
Purchases of investments	(6,513,912)	(4,726,761)
Proceeds from sales of investments	7,082,606	5,098,239
	404,781	239,102
<b>Net cash provided by investing activities</b>		
<b>Increase in cash and cash equivalents</b>	92,667	84,174
Cash and cash equivalents at beginning of year	424,953	340,779
Cash and cash equivalents at end of year	\$ 517,620	\$ 424,953

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

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**1. Summary of significant accounting policies**

This summary of significant accounting policies of **Ozarks Food Harvest, Inc.** (the Organization), is presented to assist in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

Nature of the Organization

**Ozarks Food Harvest, Inc.** was founded in 1983 as a joint project of the Council of Churches of the Ozarks and the Southwest Missouri Office on Aging. Since 1989, the Organization has been an independent, self-funded and governed 501(c)(3) organization.

**Ozarks Food Harvest, Inc.** operates as a food bank for 28 counties in Southwest Missouri. The Organization collects food and distributes it to a network of approximately 352 member agencies such as shelters, soup kitchens, senior centers, food pantries, and daycares. These hunger relief organizations serve poverty-stricken children, working poor families and seniors. In addition to food distribution, the Organization offers direct relief through its Kids Café (after school feeding program), Weekend Backpack program, and Mobile Food Pantry programs.

The Organization receives food donations from local and regional producers, growers, distributors, and retailers. National food donations also come via Feeding America, The Nation's Food Bank Network, and through federal government subsidies. Donated food is inspected, sorted, labeled, and stored at the warehouse for repacking and distribution. The Organization delivers directly to member agencies and prepares orders for agencies to pick up. The Organization is a certified affiliate of Feeding America.

Ozarks Food Harvest Foundation (the Foundation)

During the fiscal year ended June 30, 2021, the Organization established the **Ozarks Food Harvest Foundation** (the Foundation), a Type 1 supporting organization. The purpose of the Foundation is to provide for the ongoing support of the Organization. The Foundation's board is responsible for managing the Foundation and determining the amount of grants to be awarded. The supporting organization is an affiliated charitable organization that gained public charity status through their relationship with **Ozarks Food Harvest, Inc.** The Organization exercises a substantial degree of direction over the policies, programs, and activities of the Foundation, which meets the definition of a Type 1 organization.

Use of estimates

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

Principles of consolidation

The Organization, in accordance with the provisions of *FASB Accounting Standards Codification Topic 958-810*, includes the Foundation in their consolidated financial statements in which they have economic interest arising from a contractual relationship, and is a not-for-profit organization controlled by the Organization. All material inter-organization transactions have been eliminated.

Basis of accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of presentation

The Organization prepares its consolidated financial statements in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its consolidated financial position and activities according to two classes of net assets: with donor restriction and without donor restrictions.

Cash and cash equivalents

The Organization considers all liquid investments available for current use with original maturities of three months or less to be cash equivalents.

Grants receivable

Grants receivable consists of receivables outstanding at year-end from varying contracts with federal and state agencies and other organizations. It is the Organization's policy to write off receivables when management determines the receivable will not be collected. Management has concluded that realized losses on balances outstanding at year-end will be immaterial. All receivables are due within one year at June 30, 2023 and 2022.

Inventory

Inventories consist of donated food from the public, government commodities, and purchased product. Donated product is valued per pound based on Feeding America National Food Bank's stated five-year average, and purchased product is valued at average cost. Nonmonetary assistance such as USDA food commodities are recorded at the value determined by the Missouri Department of Social Services.

Property and depreciation

Property and equipment are stated at cost. It is the Organization's policy to capitalize property and equipment with a value of \$2,500 or more with a life expectancy longer than three years. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

Depreciation is computed by applying the following methods and estimated lives:

<u>Category</u>	<u>Estimated life</u>	<u>Method</u>
Buildings and improvements	39 years	Straight-line
Leasehold improvements	5-15 years	Straight-line
Vehicles	5-7 years	Straight-line
Furniture and equipment	5-15 years	Straight-line
Computer equipment	3-7 years	Straight-line

The costs of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for gains on assets traded where no cash was received. Expenditures for maintenance and repairs are charged to expense as incurred.

Investments and investment income

Investments are carried at market value. Assets at Community Foundation of the Ozarks (CFO) reside in agency funds and participate in either a money market pool or a diversified investment pool using the market value unit method to determine the number of shares issued. Gains and losses from the diversified investment pool are allocated based on each participating fund’s pro-rata share. Investment income includes dividends, interest, and realized and unrealized gains and losses. Funds held at Ozarks Food Harvest Foundation are invested separately and are monitored by the Organization’s board of directors, the Foundation’s board of directors, and executive staff.

Deferred revenue

Deferred revenue represents the excess of advances from granting agencies under contracts for services over the related expenditures. Revenue recognition will occur as qualifying expenditures are made.

Revenue recognition

The Organization derives revenue from various forms of donations including in-kind food donations, other in-kind donations, and contributions. In addition, the Organization also receives grant money under contracts with no financial exchange. These sources of revenue fall under *FASB Accounting Standards Codification Topic 958-605*.

The Organization recognizes revenue from *FASB Accounting Standards Codification 606*, when one of the two following criteria is met. (1) There is an exchange transaction in which a provider is receiving commensurate value in return for the resources transferred. (2) A conditional contribution is given, and the agreement includes both a barrier that must be overcome before the Organization is entitled to the assets transferred and a right of return of assets is transferred or a right of release of a promisor’s obligation to transfer assets.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

In accordance with *FASB Accounting Standards Codification 606*, depending on the characteristics of the funds received, the Organization will either recognize the income immediately (point in time) or over a period of time. The only source of revenue that constitutes a contract are fees applied to agency accounts. These fees are recorded at the point-in-time of when an order is placed. As of June 30, 2023 and 2022 these fees amounted to \$2,373,139 and \$1,765,559, respectively.

Funding and support

Funding for the Organization comes in the form of contracts with city, state, and federal agencies, and from private sources, such as individuals, foundations, and corporations.

The Kids Café is funded through the USDA Child and Adult Care Food Programs. USDA’s Food and Nutrition Service administers CACFP through grants to States. The Organization submits monthly claim forms to the State to receive reimbursements on a per-meal served basis.

Federal and other grants

Revenue from grant income is to be spent for specific purposes. Many of these grants are subject to annual budget negotiations and availability of funds. Revenue from grants that are nonreciprocal are treated like contributions. If the grant is conditional, revenue is recognized when the allowable expenditures under such agreement are incurred. Consequently, revenues for these transactions are recognized as the expenditures are incurred. Amounts received in advance of services performed are recognized as advances on conditional grants and are recognized as revenues in future periods as services are performed.

Contributed goods, services, facilities, and other nonfinancial gifts

During the years ended June 30, 2023 and 2022, the value of contributed goods and services meeting the requirements for recognition in the consolidated financial statements was material and has been recorded at fair market value. Contributed goods and services are recognized if the donation creates or enhances a nonfinancial asset or requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

For the years ended June 30, nonfinancial contributions recognized within the statement of activities included:

	2023	2022
Food contributions	\$ 29,704,362	\$ 24,933,272
USDA commodity contributions	5,844,280	7,277,027
Total nonfinancial contributions	\$ 35,548,642	\$ 32,210,299

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

Contributions and unconditional promises to give

Contributions received are recorded as without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the fiscal year which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restriction net assets depending on the nature of the restrictions. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

Functional allocation of expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program are allocated directly according to their natural expense classification. Various statistical bases allocate other expenses that are common to several functions.

Advertising

Advertising costs are expensed as incurred. Advertising costs were \$352,218 and \$399,501 for the year ended June 30, 2023 and 2022, respectively.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Foundation is classified as a Type 1 supporting organization under IRS Section 509(a)(3).

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to the Internal Revenue Service are 2020 through 2023 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal years ended June 30, 2023 and 2022. Interest and penalties, if any, related to annual Form 990 or unrelated business income tax filings are reported within general and administrative expenses in the statement of activities.

The Organization has adopted the Financial Accounting Standards Board's prescribed recognition threshold and measurement attribute for consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization has taken the position of being exempt from income taxes. The Organization believes their estimates are appropriate based on current facts and circumstances.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

Concentrations of risk

The Organization maintains its cash balances with financial institutions located in the greater Springfield, Missouri metropolitan area. These balances are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to \$250,000 for interest and non-interest-bearing accounts. At times such investments may be in excess of the FDIC insurance limit.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform with the current year's presentation. Such reclassification had no effect on the change in net assets.

Adoption of new accounting standard

On July 1, 2021, due to ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, the Organization adopted the new accounting standard for presentation using the retrospective method. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as separate line items in the statement of activities, apart from contributions of cash or other financial assets. The adoption of the new standard will have no change to its net assets on an ongoing basis. See Note 2 for additional disclosure.

In February 2016, the FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires recognition of the assets and liabilities that arise from leases. The new standard is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**2. Investments**

Beneficial interest in Community Foundation of the Ozarks

The majority of investments held by the Organization are maintained in externally managed funds held by Community Foundation of the Ozarks. Upon request, the Organization can transfer amounts from the funds to the Organization's operating funds. Investments held at Community Foundation of the Ozarks consist of the following:

	2023	2022
Legacy endowment fund	\$ 473,422	\$ 438,418
TANF fund	3,508,695	4,024,999
Capital campaign fund	-	1,263,377
General operating fund	4,684,122	6,634,069
	\$ 8,666,239	\$ 12,360,863

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

Total investment income on the consolidating statement of activities is comprised of the following:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 414,449	\$ 89,924
Net realized/unrealized gains (losses)	27,428	(63,152)
Total investment income	<u>\$ 441,877</u>	<u>\$ 26,772</u>

Ozarks Food Harvest Foundation

The balance of investments held by Ozarks Food Harvest Foundation consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Money market accounts	\$ 360,054	\$ 244,867
U.S. equity	4,442,468	2,918,377
Foreign equity	895,401	403,551
U.S. fixed income	2,228,638	974,050
Real assets and commodities	859,407	520,067
Total investments	<u>\$ 8,785,968</u>	<u>\$ 5,060,912</u>

Total investment income on the consolidating statement of activities is comprised of the following:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 186,543	\$ 75,399
Net realized/unrealized gains (losses)	571,725	(989,084)
Investment manager fees	(31,913)	(25,177)
Total investment income (loss)	<u>\$ 726,355</u>	<u>\$ (938,862)</u>

**3. Grants receivable**

Grants receivable consist of amounts due from the U.S. Department of Agriculture for food service program reimbursements for expenses during the year ended June 30, 2023 and 2022. Due to the nature of this receivable, no allowance for doubtful accounts was established. Accounts receivable as of June 30, 2023 and 2022 was \$115,704 and \$181,592, respectively, for food service program reimbursements.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**4. Property and equipment**

Property and equipment consists of the following at June 30, 2023 and 2022:

	2023	2022
Office equipment	\$ 2,232,765	\$ 2,183,510
Vehicles	2,951,479	2,886,410
Building	8,822,771	8,773,183
Land	723,425	723,425
Land improvements	19,424	19,424
	14,749,864	14,585,952
Less accumulated depreciation	(6,641,806)	(5,946,659)
	\$ 8,108,058	\$ 8,639,293

Depreciation expense totaled \$695,148 and \$749,991 for the years ended June 30, 2023 and 2022, respectively.

**5. Fair value of financial instruments**

The Organization has adopted ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

The beneficial interest in assets held at CFO have been valued, as a practical expedient, at the fair value of the Organization's share of CFO's investment pool as of the measurement date. CFO values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of CFO, which includes private placements and other securities for which prices are not readily available, are determined by management of CFO and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a market existed for these investments. CFO's diversified pool investments are composed approximately of 36 percent domestic equities, 25 percent international equities, 18 percent bonds and 21 percent alternative investments including hedge funds, real estate, and private equity funds. CFO's money market pool is held in a cash pool that approximates fair value.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques used to measure fair value into three levels, with Level 1 being the highest priority.

*Level 1 inputs:* Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

*Level 2 inputs:* Level 2 inputs are from other than market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active.

*Level 3 inputs:* Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

Fair values of assets measured on a recurring basis for funds held at Community Foundation of the Ozarks are as follows:

	June 30, 2023			Carrying amount
	Fair value			
	Level 1	Level 2	Level 3	
Money market pool	\$ 8,192,817	\$ -	\$ -	\$ 8,192,817
Diversified investment pool	-	473,422	-	473,422
	\$ 8,192,817	\$ 473,422	\$ -	\$ 8,666,239

	June 30, 2022			Carrying amount
	Fair value			
	Level 1	Level 2	Level 3	
Money market pool	\$ 11,922,445	\$ -	\$ -	\$ 11,922,445
Diversified investment pool	-	438,418	-	438,418
	\$ 11,922,445	\$ 438,418	\$ -	\$ 12,360,863

Fair values of assets measured on a recurring basis for funds held by Ozarks Food Harvest Foundation are as follows:

	June 30, 2023			Carrying amount
	Fair value			
	Level 1	Level 2	Level 3	
Money market accounts	\$ 360,054	\$ -	\$ -	\$ 360,054
U.S. equity	4,442,468	-	-	4,442,468
Foreign equity	895,401	-	-	895,401
U.S. fixed income	2,228,638	-	-	2,228,638
Real assets and commodities	859,407	-	-	859,407
	\$ 8,785,968	\$ -	\$ -	\$ 8,785,968

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

	June 30, 2022			Carrying amount
	Fair value			
	Level 1	Level 2	Level 3	
Money market accounts	\$ 244,867	\$ -	\$ -	\$ 244,867
U.S. equity	2,918,377	-	-	2,918,377
Foreign equity	403,551	-	-	403,551
U.S. fixed income	974,050	-	-	974,050
Real assets and commodities	520,067	-	-	520,067
	\$ 5,060,912	\$ -	\$ -	\$ 5,060,912

**6. Liquidity and availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 517,620	\$ 424,953
Accounts receivable	115,704	181,592
Pledges receivable	-	9,167
Beneficial interest in CFO	8,666,239	12,360,863
	9,299,563	12,976,575
Less those unavailable for general expenditure:		
Accounts payable and accrued expenses	54,778	168,717
Deferred revenue	157,347	221,075
Agency fees liabilities	67,500	255,785
	279,625	645,577
Financial assets available to meet cash needs for general expenditure within one year	\$ 9,019,938	\$ 12,330,998

**7. Retirement plan**

In 2008, the Organization adopted a 403(b) Retirement Plan in accordance with the Internal Revenue Code. All employees meeting eligibility requirements that choose to participate receive a matching contribution from the Organization of up to 3% of the employees' gross earnings. The Organization contributed \$80,040 and \$66,011 for the years ended June 30, 2023 and 2022, respectively.

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**8. Concentrations of revenue**

The Organization received \$7,797,124 of donated food from Wal-Mart which represents 26% of the total food contributions received for the year ended June 30, 2023. During the prior year, the Organization received \$5,983,672 of donated food from Wal-Mart which represented 24% of total food contributions.

**9. Subsequent events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 2, 2024, the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023**

	<u>ASSETS</u>			
	Ozarks Food Harvest, Inc.	Ozarks Food Harvest Foundation	Eliminations	Consolidated
<b>Current assets</b>				
Cash	\$ 517,620	\$ -	\$ -	\$ 517,620
Accounts receivable	115,704	-	-	115,704
Prepaid rent	2,324	-	-	2,324
Inventory	<u>1,982,474</u>	<u>-</u>	<u>-</u>	<u>1,982,474</u>
Total current assets	<u>2,618,122</u>	<u>-</u>	<u>-</u>	<u>2,618,122</u>
<b>Fixed assets</b>				
Property and equipment, net of acc. depr.	<u>8,108,058</u>	<u>-</u>	<u>-</u>	<u>8,108,058</u>
<b>Investments</b>				
Beneficial interest in CFO	8,666,239	-	-	8,666,239
Investments - OFH Foundation	<u>-</u>	<u>8,785,968</u>	<u>-</u>	<u>8,785,968</u>
	<u>8,666,239</u>	<u>8,785,968</u>	<u>-</u>	<u>17,452,207</u>
<b>Total assets</b>	<u>\$ 19,392,419</u>	<u>\$ 8,785,968</u>	<u>\$ -</u>	<u>\$ 28,178,387</u>

LIABILITIES AND NET ASSETS

<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 54,778	\$ -	\$ -	\$ 54,778
Deferred revenue	157,347	-	-	157,347
Agency fees payable	<u>67,500</u>	<u>-</u>	<u>-</u>	<u>67,500</u>
Total current liabilities	<u>279,625</u>	<u>-</u>	<u>-</u>	<u>279,625</u>
<b>Net assets</b>				
Without donor restriction	<u>19,112,794</u>	<u>8,785,968</u>	<u>-</u>	<u>27,898,762</u>
Total net assets	<u>19,112,794</u>	<u>8,785,968</u>	<u>-</u>	<u>27,898,762</u>
<b>Total liabilities and net assets</b>	<u>\$ 19,392,419</u>	<u>\$ 8,785,968</u>	<u>\$ -</u>	<u>\$ 28,178,387</u>

See Independent Auditor's Report

**OZARKS FOOD HARVEST, INC. AND SUPPORTING ORGANIZATION**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Ozarks Food Harvest, Inc.	Ozarks Food Harvest Foundation	Eliminations	Consolidated
<b>Gains and support</b>				
Food contributions	\$ 29,704,362	\$ -	\$ -	\$ 29,704,362
Individual, corporate and foundation contributions	3,896,753	3,000,000	(3,000,000)	3,896,753
Direct mail	1,088,404	-	-	1,088,404
USDA commodity contributions	5,844,280	-	-	5,844,280
Purchased product fees - agency	2,373,139	-	-	2,373,139
Federal and other grants	2,811,547	-	-	2,811,547
Food assistance program (TEFAP)	436,613	-	-	436,613
Food assistance program (CACFP)	230,948	-	-	230,948
Food assistance program (SNAP)	26,267	-	-	26,267
Food assistance program (CSFP)	292,602	-	-	292,602
Summer food programs	102,810	-	-	102,810
Investment income (loss)	441,877	726,355	-	1,168,232
NAP credits income	219,919	-	-	219,919
Miscellaneous	20,234	-	-	20,234
Total revenues	<u>47,489,755</u>	<u>3,726,355</u>	<u>(3,000,000)</u>	<u>48,216,110</u>
<b>Expenses</b>				
Program services	45,899,486	-	-	45,899,486
Fundraising	957,487	-	-	957,487
General and administrative	4,255,244	1,299	(3,000,000)	1,256,543
Total expenses	<u>51,112,217</u>	<u>1,299</u>	<u>(3,000,000)</u>	<u>48,113,516</u>
<b>Decrease in net assets</b>	<u>(3,622,462)</u>	<u>3,725,056</u>	<u>-</u>	<u>102,594</u>
<b>Net assets at beginning of year</b>	<u>22,735,256</u>	<u>5,060,912</u>	<u>-</u>	<u>27,796,168</u>
<b>Net assets at end of year</b>	<u>\$ 19,112,794</u>	<u>\$ 8,785,968</u>	<u>\$ -</u>	<u>\$ 27,898,762</u>

See Independent Auditor's Report



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

Board of Directors  
Ozarks Food Harvest, Inc.  
Springfield, Missouri

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of **Ozarks Food Harvest, Inc.** (a non-profit organization and related foundation), which are comprised of the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated January 2, 2024.

### **Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 **Ozarks Food Harvest, Inc.’s** consolidated financial statements are free of 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 consolidated 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*.

## Purpose of This Report

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

A handwritten signature in black ink that reads "THE WHITLOCK CO, LLP". The signature is written in a cursive, slightly slanted style.

Springfield, Missouri  
January 2, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

Board of Directors  
Ozarks Food Harvest, Inc.  
Springfield, Missouri

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

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

We have audited **Ozarks Food Harvest, Inc.'s** (a non-profit organization and related foundation) 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 each of **Ozarks Food Harvest, Inc.'s** major federal programs for the year ended June 30, 2023. **Ozarks Food Harvest, Inc.'s** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Ozarks Food Harvest, Inc.** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***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; 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 **Ozarks Food Harvest, 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 each major federal program. Our audit does not provide a legal determination of **Ozarks Food Harvest, 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 **Ozarks Food Harvest, Inc.'s** federal programs.

### ***Auditor's Responsibility 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 **Ozarks Food Harvest, 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 **Ozarks Food Harvest, Inc.**'s compliance with the requirements of each 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 **Ozarks Food Harvest, 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 **Ozarks Food Harvest, 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 **Ozarks Food Harvest, 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 combination of control 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 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.

### **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the consolidated financial statements of **Ozarks Food Harvest, Inc.** as of and for the year ended June 30, 2023, and have issued our report thereon dated January 2, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The image shows a handwritten signature in black ink that reads "THE WHITLOCK CO., LLP". The signature is written in a cursive, slightly slanted style.

Springfield, Missouri  
January 2, 2024

**OZARKS FOOD HARVEST, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Program title</u>	<u>Federal CFDA number</u>	<u>Pass-through entity identifying number</u>	<u>Federal expenditures</u>	<u>Passed through to subrecipients</u>
<b><u>Department of Agriculture</u></b>				
<i>Passed through program from:</i>				
<i>Missouri Department of Health and Senior Services</i>				
Child and Adult Care Food Program	10.558	ERS46111183	\$ 230,948	\$ -
Summer Food Program	10.559	ERS0461183S	102,810	-
Supplemental Nutrition Assistance Program	10.551	N/A	26,267	-
<b>Food Distribution Cluster</b>				
Commodity Supplemental Food Program (Food Commodities)	10.565	CS170294003	1,764,309	1,764,309
Commodity Supplemental Food Program (Administrative Costs)	10.565	CS170294003	292,602	-
<i>Missouri Department of Social Services</i>				
Emergency Food Assistance Program (Food Commodities)	10.569	ER113170003	4,079,852	4,079,852
Emergency Food Assistance Program (Build Back Better)	10.569	ER113170003	129,205	-
Emergency Food Assistance Program (CCC)	10.569	ER113170003	13,774	-
Emergency Food Assistance Program (Administrative Costs)	10.568	ER113170003	<u>261,645</u>	<u>-</u>
<b>Total Food Distribution Cluster</b>			<u>6,541,387</u>	<u>5,844,161</u>
 Total Department of Agriculture			 6,901,412	 5,844,161
<b><u>Department of Health and Human Services</u></b>				
<i>Passed through program from:</i>				
<i>Missouri Department of Social Services</i>				
Temporary Assistance for Needy Families (Administrative Costs)	93.558	ER11319FB03	<u>1,651,867</u>	<u>-</u>
<b><u>Department of Housing and Urban Development</u></b>				
<i>Passed through program from:</i>				
<i>City of Springfield, Missouri</i>				
Community Development Block Grant	14.218	N/A	<u>17,579</u>	<u>-</u>
 <b>Total expenditures of federal awards</b>			 <u>\$ 8,570,858</u>	 <u>\$ 5,844,161</u>

**OZARKS FOOD HARVEST, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**1. Basis of presentation**

The schedule of expenditures of federal awards includes the current year federal grant activity of **Ozarks Food Harvest, Inc.** (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows for **Ozarks Food Harvest, Inc.**

**2. De Minimis**

**Ozarks Food Harvest, Inc.** has elected to use the 10% de minimis cost rate.

**3. Food commodities**

Nonmonetary assistance is reported in the schedule at the value determined by Feeding America National Food Bank Network.

**4. Subsequent events**

In preparing the schedule of expenditures of federal awards, **Ozarks Food Harvest, Inc.** has evaluated events and transactions for potential recognition or disclosure through January 2, 2024, the date the schedule was available to be issued.

**OZARKS FOOD HARVEST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Section I – Summary of Auditor’s Results**

**Consolidated Financial statements**

Type of report issued on auditee’s consolidated financial statements prepared in accordance with GAAP:  
**Unmodified**

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Noncompliance material to consolidated financial statements noted?	___ Yes	_X_ No

**Federal awards**

Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major federal programs: <b><u>Unmodified</u></b>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
<u>Assistance Listing Number(s):</u>	<u>Name of Federal Program or Cluster:</u>	
10.565, 10.568, 10.569	Food Distribution Cluster	
Dollar threshold used to distinguish between type A and type B programs: <b><u>\$750,000</u></b>		
Auditee qualified as a low-risk auditee?	_X_ Yes	___ No

**SECTION II – Findings relating to the consolidated financial statements which are required to be reported in accordance with GAAS**

There are no matters which are required to be reported.

**SECTION III – Findings and questioned costs for federal awards**

There are no matters which are required to be reported.

**OZARKS FOOD HARVEST, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Findings – Consolidated Financial Statement Audit**

There are no prior year audit findings to report.

**Findings and Questioned Costs – Major Federal Award Programs Audit**

There are no prior year audit findings to report.