

OZARKS FOOD HARVEST, INC.
AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Ozarks Food Harvest, Inc., (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ozarks Food Harvest, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2011, on our consideration of Ozarks Food Harvest, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Ozarks Food Harvest, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133*, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Davis, Lynn & Moots, P.C.

DAVIS, LYNN & MOOTS, P.C.
March 31, 2011

OZARKS FOOD HARVEST, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 684,557
Restricted cash and cash equivalents	4,167
	<u>688,724</u>
Accounts receivable	137,671
Inventory	912,906
	<u>1,739,301</u>

TOTAL CURRENT ASSETS

Capital Assets

Land	515,000
Building	4,093,504
Vehicles	321,042
Machinery and equipment	265,066
Leasehold improvement	28,454
Less accumulated depreciation	(311,814)
	<u>4,911,252</u>

Pledges, net receivable long-term

131,669

TOTAL ASSETS \$ 6,782,222

LIABILITIES AND NET ASSETS

Current

Accounts payable	\$ 41,290
Payroll taxes payable	9,102
Interest payable	7,324
	<u>57,716</u>

TOTAL CURRENT LIABILITIES

Non Current

Construction line of credit	<u>905,795</u>
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TOTAL LIABILITIES

Net Assets

Unrestricted	5,207,973
Temporarily restricted	610,738
	<u>5,818,711</u>

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS \$ 6,782,222

See accompanying notes.

OZARKS FOOD HARVEST, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Food contributions	\$ 8,738,181	\$ -	\$ 8,738,181
Individual, corporate and foundation cash contributions	157,116	372,446	529,562
Direct mail	321,251	-	321,251
Handling fees	319,304	-	319,304
USDA commodity contributions	2,798,561	-	2,798,561
Purchased product fees	340,139	-	340,139
Federal grants	371,692	-	371,692
Food assistance program (TEFAP)	264,374	-	264,374
Food assistance program (CACFP)	112,503	-	112,503
Summer food program	55,769	-	55,769
Delivery fees	58,767	-	58,767
Interest	3,722	-	3,722
Miscellaneous	2,756	-	2,756
Released from temporary restrictions	1,330,734	(1,330,734)	-
TOTAL PUBLIC SUPPORT AND REVENUE	14,874,869	(958,288)	13,916,581
EXPENSES			
Program services	13,422,689	-	13,422,689
Fundraising	288,412	-	288,412
Administration	329,602	-	329,602
TOTAL EXPENSES	14,040,703	-	14,040,703
CHANGE IN NET ASSETS	834,166	(958,288)	(124,122)
NET ASSETS, July 1, 2009	4,373,807	1,569,026	5,942,833
NET ASSETS, June 30, 2010	\$ 5,207,973	\$ 610,738	\$ 5,818,711

See accompanying notes.

OZARKS FOOD HARVEST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2010

	Program Services	Fundraising	Program Management and General	Total
Food disbursements and waste	\$ 11,445,031	\$ -	\$ -	\$ 11,445,031
Salaries	493,456	113,875	151,833	759,164
Payroll taxes	41,152	9,497	12,662	63,311
Employee benefits	58,280	13,449	17,933	89,662
Subrecipients	433,994	-	-	433,994
Special events	6,158	1,421	1,895	9,474
Transportation expenses	120,846	-	-	120,846
Purchased product	131,357	-	-	131,357
Temporary personnel	80,135	-	-	80,135
Office supplies	621	621	11,169	12,411
Supplies	10,444	2,410	3,213	16,067
Dues and subscriptions	16,451	5,062	3,796	25,309
Postage	22,017	22,017	-	44,034
Advertising	39,880	39,880	-	79,760
Printing	2,260	12,430	7,910	22,600
Professional fees and contracts	100,052	23,089	84,271	207,412
Acquisition fees	44,616	-	-	44,616
Travel	4,109	4,109	-	8,218
Training	3,567	4,023	-	7,590
Telephone	12,219	679	679	13,577
Utilities	57,969	3,221	3,220	64,410
Computer expenses	10,793	3,321	2,491	16,605
Maintenance	24,229	1,346	1,346	26,921
Conference and meetings	-	-	3,295	3,295
Loss on disposal	40,484	2,249	2,249	44,982
Miscellaneous	52,936	16,289	12,216	81,441
Depreciation	169,633	9,424	9,424	188,481
	<u>\$ 13,422,689</u>	<u>\$ 288,412</u>	<u>\$ 329,602</u>	<u>\$ 14,040,703</u>

See accompanying notes.

OZARKS FOOD HARVEST, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (124,122)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	188,481
Loss on disposal of equipment	44,982
Changes in operating assets and liabilities:	
Decrease in receivables	1,079,410
(Increase) in inventory	(189,500)
Increase in accounts payable	14,816
	<u>1,014,067</u>
	NET CASH PROVIDED BY OPERATING ACTIVITIES
	1,014,067
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(386,418)
	<u>(386,418)</u>
	NET CASH (USED) BY INVESTING ACTIVITIES
	(386,418)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from construction line of credit	285,540
Payments on construction line of credit	(1,079,857)
	<u>(794,317)</u>
	NET CASH (USED) BY FINANCING ACTIVITIES
	(794,317)
	(DECREASE) IN CASH AND CASH EQUIVALENTS
	(166,668)
CASH AND CASH EQUIVALENTS, July 1, 2009	<u>855,392</u>
CASH AND CASH EQUIVALENTS, June 30, 2010	<u><u>\$ 688,724</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Interest paid on line of credit	<u><u>\$ 57,641</u></u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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, Ozarks Food Harvest has been an independent, self-funded and governed 501(c)(3) organization.

Ozarks Food Harvest, Inc. (OFH) operates as a food bank for 29 counties in SW Missouri. OFH collects food and distributes it to a network of more than 350 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, Ozarks Food Harvest offers direct relief through its Kids Café (after school feeding program), Food for Thought (weekend backpack program), Club F.U.N. (nutritional education program) and Mobile Food Pantry programs.

OFH receives food donations from local and regional producers, growers, distributors and retailers. National food donations also come via America's Second Harvest, 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. OFH delivers directly to member agencies and prepares orders for agencies to pick up.

Basis of Accounting

The accounts of the Organization are organized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles: a replacement of FASB Statement No. 162*. On July 1, 2009, *The Hierarchy of Generally Accepted Accounting Principles* was rendered irrelevant, and the FASB ASC became the source of authoritative U.S. Generally Accepted Accounting Principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this statement, the ASC will supersede all then-existing non-SEC accounting and reporting standards, effective for financial statements issued for interim and annual periods ending after June 30, 2010.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost or at its fair market value if donated. All long-lived assets with a cost, or fair market value if donated, of \$1,000 or more are capitalized and depreciated. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line basis over the estimated useful life of the assets generally as follows:

Leasehold Improvements	30 – 50 years
Office Equipment	5 – 7 years

Functional Expenses

Ozarks Food Harvest, Inc. 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Ozarks Food Harvest, Inc. considers all short-term investments with original maturities of three months or less at the financial statement date to be cash equivalents.

Estimates

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

Exempt Status

Ozarks Food Harvest, Inc. is a not-for-profit organization that is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Advertising

Costs for advertising are expensed as incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income taxes* [“FIN 48”]) on June 30, 2009. Under FIN 48, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FIN 48 had no impact on the Organization’s financial statements. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of July 1, 2009, as a result of the adoption of FIN 48. For the year ended June 30, 2010, there were no interest or penalties recorded in its financial statements.

Donated Material and Services

ASC 958-605-25 defines the criteria for the inclusion of donated services within the financial statements as those requiring technical expertise that would be purchased if not donated. The Organization had no material or services donated during the year ended June 30, 2010.

Allocated Expenses

Expenses by function have been allocated among program and support services on the basis of estimates by management.

Funding and Support

Funding for the Food Bank comes in the form of contracts with city, state and federal agencies, and from private sources, such as individuals, foundations and corporations. Ozarks Food Harvest, Inc. also receives handling fees up to \$.18/lb., and delivery fees up to \$.04/lb. for food distributed to agencies.

The Kids Café is funded through the USDA Child and Adult Care Food Program. USDA’s Food and Nutrition Service (FNS) administers CACFP through grants to States. Ozarks Food Harvest, Inc. submits monthly claim forms to the state to receive reimbursements on a per meal served basis.

OZARKS FOOD HARVEST, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010

NOTE B – PLEDGES RECEIVABLE

Pledges receivable at June 30, 2010, consist of the following unconditional promises to give:

Due in one to five years	\$ 139,535
Less: Unamortized discount	(889)
Allowance for doubtful accounts	<u>(6,977)</u>
	<u>\$ 131,669</u>

Discount rates used on long-term promises to give were calculated using the Treasury rate of .54%. An allowance for doubtful accounts was established for pledges receivable at a rate of 5% of gross receivables.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due from the U.S. Department of Agriculture for food service program reimbursements for food expenses during the year ended June 30, 2010. Due to the nature of these receivables, no allowance for doubtful accounts was established. Accounts receivable as of June 30, 2010, was \$137,671.

NOTE D – PROPERTY, PLANT AND EQUIPMENT

The cost and accumulated depreciation of building improvements and equipment are as follows:

Land	\$ 515,000
Building	4,093,504
Vehicle	321,042
Machinery and Equipment	265,066
Leasehold Improvement	<u>28,454</u>
	5,223,066
Less: Accumulated Depreciation	<u>(311,814)</u>
	<u>\$ 4,911,252</u>

Depreciation charged to expense for the year ended June 30, 2010, was \$188,481.

OZARKS FOOD HARVEST, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010

NOTE E – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at June 30, 2010, were as follows:

Kids Café	\$ 12,988
Mobile Food Pantry Truck	23,596
Food for Thought	76,417
Trusts	361,901
Capital Campaign	135,836
	<u>\$ 610,738</u>

NOTE F – LINE OF CREDIT

During the prior year, the Organization opened a Line of Credit with Commerce Bank which matures on December 23, 2013. Amounts borrowed under this agreement bear interest at 4.34%. At June 30, 2010, \$905,795 was outstanding.

NOTE G – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the year by incurring expenses satisfying the restricted purposes or time restrictions specified by donors as follows:

Kids Café	\$ 361
Mobile Food Pantry Truck	799
Neighbor's Pantry	5,000
Trusts	71,249
MFH Grant	100,000
Capital Campaign	1,153,325
	<u>\$ 1,330,734</u>

OZARKS FOOD HARVEST, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE H – EMPLOYEE RETIREMENT PLAN

In 2008, Ozarks Food Harvest, Inc.(OFH) 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 OFH up to 3 % of the employees' gross earnings. OFH contributed \$12,540 for the year ended June 30, 2010.



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

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

We have audited the financial statements of Ozarks Food Harvest, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated March 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ozarks Food Harvest, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ozarks Food Harvest, Inc.'s 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 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*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, P.C.

DAVIS, LYNN & MOOTS, P.C.
March 31, 2011



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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Ozarks Food Harvest, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 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, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ozarks Food Harvest, Inc.'s management. Our responsibility is to express an opinion on Ozarks Food Harvest, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ozarks Food Harvest, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ozarks Food Harvest, Inc.'s compliance with those requirements.

In our opinion, Ozarks Food Harvest, Inc. complied, in all material respects, with the 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, 2010.

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

Internal Control Over Compliance

The management of Ozarks Food Harvest, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ozarks Food Harvest, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, P.C.

DAVIS, LYNN & MOOTS, P.C.
March 31, 2011

OZARKS FOOD HARVEST, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2010

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Missouri Department of Health and Senior Services			
Child and Adult Care Food Program	10.558	ERS46-0911	\$ 97,494
Summer Food Program	10.559	ERS046-91183	31,659
Commodity Supplemental Food Program	10.565	C308026001	237,758
Missouri Department of Social Services			
Summer Food Program	10.559	N/A	1,684
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	2,275,339
Emergency Food Assistance Program (Food Commodities) - ARRA	10.569	N/A	326,903
Emergency Food Assistance Program (Administrative Costs)	10.568	N/A	264,374
Emergency Food Assistance Program (Administrative Costs) - ARRA	10.568	N/A	<u>83,630</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,318,841
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
City of Springfield, Missouri			
Community Development Block Grant	14.218	N/A	<u>20,000</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>20,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,338,841</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note A to the Organization's financial statements.

OZARKS FOOD HARVEST, INC.
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements.
2. No deficiencies during the audit of the financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal awards programs.
5. The auditors' report on compliance for the major federal awards programs expresses an unqualified opinion.
6. There were no findings required to be reported in accordance with Section 510(a) of Circular A-133.
7. The programs tested as major programs were:

Emergency Food Assistance Program Cluster (Food Commodities)	10.569
Emergency Food Assistance Program Cluster (Food Commodities) – ARRA	10.569
Emergency Food Assistance Program Cluster (Administrative Costs)	10.568
Emergency Food Assistance Program Cluster (Administrative Costs) – ARRA	10.568
8. The threshold for determining Type A programs was \$300,000.
9. The Ozarks Food Harvest, Inc. was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

There were no findings or questioned costs for the major federal awards programs.

OZARKS FOOD HARVEST, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2010

There were no prior audit findings.