



The Storehouse of Collin County

Financial Statements with Supplementary Information and Compliance Reports
June 30, 2021

The Storehouse of Collin County

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Independent Auditors' Report

Board of Directors
The Storehouse of Collin County

Report on Financial Statements

We have audited the accompanying financial statements of The Storehouse of Collin County (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits containing *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 misstatements.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Storehouse of Collin County as of June 30, 2021, and the changes in its net assets and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of The Storehouse of Collin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Storehouse of Collin County's internal control over financial reporting and compliance.

Arlington, Texas
October 27, 2021



A Limited Liability Partnership

The Storehouse of Collin County
Statement of Financial Position
June 30, 2021

Assets

Current assets:

Cash	\$ 1,494,057
Inventory	132,105
Prepaid expenses	<u>2,945</u>

Total current assets 1,629,107

Property and equipment, net 73,705

Total assets \$ 1,702,812

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 11,646
Accrued expenses	<u>73,793</u>

Total liabilities 85,439

Net assets:

Without donor restrictions	1,568,866
With donor restrictions	<u>48,507</u>

Total net assets 1,617,373

Total liabilities and net assets \$ 1,702,812

See notes to financial statements.

The Storehouse of Collin County
Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 1,636,402	\$ 7,900	\$ 1,644,302
In-kind contributions	3,743,194	-	3,743,194
Net assets released from restriction	7,265	(7,265)	-
Total revenue and support	5,386,861	635	5,387,496
Expenses:			
Program services	4,393,071	-	4,393,071
Management and general	174,354	-	174,354
Fundraising	114,939	-	114,939
Total expenses	4,682,364	-	4,682,364
Change in net assets	704,497	635	705,132
Net assets at beginning of year	864,369	47,872	912,241
Net assets at end of year	\$ 1,568,866	\$ 48,507	\$ 1,617,373

See notes to financial statements.

The Storehouse of Collin County
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Total Program Services	Management and General	Fundraising	Total
	Seven Loaves	Joseph's Coat	Project Hope				
Assistance	\$ 3,092,217	\$ 577,468	\$ 21,826	\$ 3,691,511	\$ -	\$ -	\$ 3,691,511
Payroll	206,977	129,361	181,105	517,443	84,110	45,276	646,829
Contract services	29,794	12,834	2,903	45,531	24,389	47,736	117,656
Rent and utilities	82,025	4,988	1,750	88,763	7,770	-	96,533
Bank/Online Fees	-	-	-	-	5,964	13,916	19,880
Insurance	5,906	-	-	5,906	13,780	-	19,686
Depreciation	18,245	-	-	18,245	-	-	18,245
Miscellaneous	21,741	2,401	1,530	25,672	38,341	8,011	72,024
Total	\$ 3,456,905	\$ 727,052	\$ 209,114	\$ 4,393,071	\$ 174,354	\$ 114,939	\$ 4,682,364

See notes to financial statements.

The Storehouse of Collin County
Statement of Cash Flows
Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 705,132
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,245
Changes in operating assets and liabilities:	
Grant receivable	29,338
Inventory	(20,314)
Prepaid expenses	(224)
Other assets	1,640
Accounts payable	5,904
Accrued expenses	56,194
	<hr/>
Net cash provided by operating activities	795,915
Cash at beginning of year	698,142
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Cash at end of year	\$ 1,494,057
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See notes to financial statements.

The Storehouse of Collin County

Notes to Financial Statements

1. Organization

The Storehouse of Collin County (Organization) formerly Common Unity, Inc., was incorporated September 21, 2009, under the laws of the state of Texas and approved May 11, 2010, as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code). The Organization was formed with the mission to holistically assist Collin County residents in crisis meet the most basic human needs. The Organization provides nutritional supplemental food, gently used clothing and household goods, access to transforming social services, limited financial support, education and training and other living necessities to individuals and families residing in Collin County zip codes. The Texas Commodity Assistance Program guidelines and published U.S. poverty levels serve as guidelines to determine need and to identify individuals and families who qualify to receive Organization resources.

The Organization's office and facilities are located in St. Andrew United Methodist Church (Church). The Church contributes facilities and personnel services to the Organization but does not exhibit managerial or financial control over the operations of the Organization (Note 4).

The Organization is primarily supported by contributions from individuals, other organizations and the Church.

Programs

The Organization pursues its objectives through the execution of the following major programs:

Seven Loaves Food Pantry – This program provides one week's worth of healthy food for each person in qualifying households.

Joseph's Coat – This program is seasonal in nature and distributes new and gently used clothing to qualifying households.

Project Hope – The goal of this program is to facilitate qualifying households to move from an impoverished lifestyle to a sustainable quality of life. The program provides coaching, training, education, opportunity and hope to qualifying households who meet certain criteria.

2. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Organization are described below.

The Storehouse of Collin County

Notes to Financial Statements

Basis of Accounting

The Organization prepares the financial statements on the accrual basis of accounting in accordance with GAAP.

Financial Statement Presentation

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

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a board approved spending policy. As of June 30, 2021, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Financial Instruments and Credit Risk Concentrations

Financial instruments, which are potentially subject to concentrations of credit risk, consist principally of cash. The Organization maintains cash balances at various financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021, the Organization's uninsured balances totaled \$986,727. Management has placed these funds with high credit quality financial institutions to minimize risk. The Organization has not experienced any losses on such assets.

The Storehouse of Collin County

Notes to Financial Statements

Inventory

The Organization's inventory consists of purchased and donated perishable and non-perishable food items. These items are distributed to clients free of charge. Inventory is valued at an estimated amount of \$1.62 per pound at June 30, 2021, and/or at the cost of products purchased.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost or if acquired by gift, fair market value at the date of the gift. The fair value of donated fixed assets is capitalized. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000. Depreciation is calculated using the straight-line method based upon the estimated useful lives of the assets which range from 3 to 10 years.

Revenue Recognition

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give (pledges receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

The Organization recognizes contribution revenue for professional services at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization receives donated food and grocery products from the general public, food drives, philanthropic and compassion agencies, members of the Church and other area churches, the North Texas Food Bank and local area merchants. These donations are valued as of the latest valuation study of Feeding America. As need and/or availability arises, various food types are also purchased, primarily through the North Texas Food Bank. Undistributed food is kept in controlled environments and held as inventory until distributed.

The Organization recognizes the fair value of donated food and grocery products as noncash contributions upon receipt of goods and as noncash assistance expense when provided to the Organization's clients.

Donated use of facilities and utilities are primarily donated by the Church and are reflected as contributions at their estimated fair values at date of receipt.

The Storehouse of Collin County

Notes to Financial Statements

In order to enable the Organization to meet its mission, a substantial number of volunteers donate significant amounts of their time to the Organization's programs and fundraising functions. These amounts do not meet the requirements for recognition in the financial statements.

Federal Income Taxes

The Organization is exempt from federal income tax under section 501(c)(3) of the Code and has not been classified as a private foundation as defined in the Code. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under Code Section 511. The Organization had no unrelated business income for the year ended June 30, 2021. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Costs are allocated between program services and support services based on management's judgment considering space used, time spent or direct relation to the program or support service benefited.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

The Storehouse of Collin County

Notes to Financial Statements

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

In 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Organization will be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and additional quantitative and qualitative disclosures will be required. The standard takes effect for annual reporting periods beginning after June 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

3. Property and Equipment

Property and equipment are summarized as follows at June 30, 2021:

Vehicles	\$ 71,771
Refrigerators and freezers	<u>117,499</u>
Total	189,270
Less: accumulated depreciation	<u>(115,565)</u>
	<u><u>\$ 73,705</u></u>

Depreciation expense totaled \$18,245 for the year ended June 30, 2021.

The Storehouse of Collin County

Notes to Financial Statements

4. Relationship with St. Andrew United Methodist Church

As stated in Note 1, the Organization utilizes facilities and utilities provided by the Church for office, warehousing, food storage and distribution. The Church also donates administrative and clerical support services. All payroll and benefit expenses of the Organization are paid through the Church. The Church invoices for a portion of the payroll and supporting services; the remainder is reflected in the accompanying financial statements as in-kind donations and in-kind expenses.

The amount contributed by the Church and recognizable under GAAP is reflected in the accompanying financial statements. The Organization received in-kind rent and utilities totaling \$83,195 and contributed services totaling \$51,000 for the year ended June, 30, 2021.

While the Organization and the Church do not have a formal relationship and do not share common governance control, it is unlikely that the Organization could continue its programs and operations at its current level without the space provided by the Church.

5. Concentrations

In-kind donations represented 69% of total revenue for the year ended June 30, 2021. As of June 30, 2021, 49% of contributions were received from three donors.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes at June 30, 2021:

Van purchase	\$ 39,987
Project Hope	6,520
Halff Community Initiative	<u>2,000</u>
	<u>\$ 48,507</u>

The Storehouse of Collin County

Notes to Financial Statements

7. Service Agreements

On January 3, 2019, the Organization entered into a service agreement (Agreement) with the North Texas Food Bank (NTFB) to provide food distribution services in the Plano, Texas region. Under the Agreement, NTFB will pay for or provide various equipment for the Organization required to provide services under the Agreement. The contract specifies that should the Organization cancel the Agreement before the expiration date of May 7, 2024, NTFB has the right to repossess any equipment not permanently attached to the building. The Organization has no plans to cancel the Agreement; as such, all NTFB-provided equipment have been capitalized by the Organization and are being depreciated over the assets' useful lives. The amount at risk, should the agreement be terminated early, is \$118,455 of property and equipment as of June 30, 2021.

8. In-Kind Contributions

The Organization received the following in-kind contributions during the year ended June 30, 2021:

Food	\$ 2,992,039
Clothing	640,349
Rent and utilities	83,195
Other	<u>27,611</u>
	<u>\$ 3,743,194</u>

9. Liquidity and Availability of Resources

The Organization has \$1,494,057 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash. The Organization's cash is not subject to donor or other contractual restrictions that make it unavailable for general expenditures within one year of the statement of financial position date.

The Organization strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the year ended June 30, 2021, the level of liquidity was managed within the Organization's expectations.

10. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.

The Storehouse of Collin County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Agency/Cluster/ Pass-through Grantor/Program Title	AL #	Pass-through Grantor's #	Federal Expenditures
Food Distribution Cluster			
U.S. Department of Agriculture:			
North Texas Food Bank			
Emergency Food Assistance Program - Commodities	10.569	N/A	<u>\$ 679,608</u>
Total Food Distribution Cluster			679,608
 U.S. Department of the Treasury:			
North Texas Food Bank			
COVID-19 Coronavirus Relief Fund	21.019	CARES ACT	<u>46,907</u>
Total U.S. Department of the Treasury			46,907
 U.S. Department of Homeland Security - Federal Emergency Management Agency:			
North Texas Food Bank			
COVID -19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	<u>140,722</u>
Total U.S. Department of Homeland Security - Federal Emergency Management Agency			<u>140,722</u>
Total expenditures of federal awards			<u><u>\$ 867,237</u></u>

See notes to schedule of expenditures of federal awards.

The Storehouse of Collin County

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of The Storehouse of Collin County (Organization). The information in this Schedule is presented in accordance with 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). Because the Schedule only presents a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such 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. The Organization has not elected to use the 10 percent de minimis indirect cost rate and continues to use the cost allocation plan negotiated individually with its grantors, as applicable.

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and distributed. At June 30, 2021, the Organization had food commodities of \$61,891 in inventory.

**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
The Storehouse of Collin County

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Storehouse of Collin County (Organization) which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 27, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



A Limited Liability Partnership

Arlington, Texas
October 27, 2021

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
The Storehouse of Collin County

Report on Compliance for Each Major Federal Program

We have audited The Storehouse of Collin County's (Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S generally accepted auditing standards; 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 Audits* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
October 27, 2021

**The Storehouse of Collin County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?	No

Identification of major federal programs:

CFDA 10.569 Emergency Food Assistance Program

Dollar threshold used to distinguish between type A and B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Audit Findings

Not applicable