

**CENTRAL TEXAS FOOD BANK, INC. and
CENTRAL TEXAS FOOD BANK FOUNDATION,
(nonprofit organizations)
FINANCIAL STATEMENTS
and Other Financial Information
September 30, 2024 and 2023**

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BASIC FINANCIAL STATEMENTS



Independent Auditors' Report

To the Board of Directors of
Central Texas Food Bank, Inc. and
Central Texas Food Bank Foundation

Opinion

We have audited the accompanying consolidated financial statements of Central Texas Food Bank, Inc. and Central Texas Food Bank Foundation (all nonprofit organizations, collectively, the Organizations) which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of September 30, 2024 and 2023, and the results of their operations 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organizations 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Organizations' ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedule of financial position on page 21 and consolidating schedule of activities and changes in net assets by fund on page 22 are presented for purposes of additional analysis and are not required parts of the basic consolidated financial statements. The consolidating schedules of financial position and activities and changes in net assets by fund are presented for purposes of additional analysis and 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 information 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 June 4, 2025, on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organizations' 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 Organizations' internal control over financial reporting and compliance.



Austin, Texas

June 4, 2025

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023**

ASSETS	2024	2023
Cash and Cash Equivalents	\$ 52,947,969	\$ 57,441,731
Accounts Receivable	2,260,783	2,703,389
Investments	32,878,883	18,577,391
Donated Food Inventory	1,885,570	3,510,508
Purchased Food Inventory	1,828,503	2,921,249
Prepaid Expenses	352,755	208,816
Property and Equipment (Net of Accumulated Depreciation of \$8,721,552 and \$7,557,601, respectively)	22,482,769	23,047,183
TOTAL ASSETS	\$ 114,637,232	\$ 108,410,267
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 1,380,971	\$ 4,877,508
Accrued Liabilities	910,461	718,662
Deferred Revenue	-	-
Total Liabilities	2,291,432	5,596,170
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	76,294,136	66,706,949
Designated:		
For Future Food Distribution	1,885,570	3,510,508
For Operating Reserve	34,000,000	29,000,000
For CTFB Foundation	-	3,420,546
Total Net Assets Without Donor Restrictions	112,179,706	102,638,003
Net Assets With Donor Restrictions:		
For Programs	15,000	25,000
In Perpetuity	151,094	151,094
Total Net Assets With Donor Restrictions	166,094	176,094
Total Net Assets	112,345,800	102,814,097
TOTAL LIABILITIES AND NET ASSETS	\$ 114,637,232	\$ 108,410,267

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time and/or Purpose	In Perpetuity	
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributed Non-Financial Assets				
Donated Food	\$ 97,580,518	\$ -	\$ -	\$ 97,580,518
Grants and Contracts	9,076,327	-	-	9,076,327
Contributions	27,138,216	15,000	-	27,153,216
Revenue:				
Program Service Fees	1,510,456	-	-	1,510,456
Investment Return, Net	7,168,543	-	-	7,168,543
Other	307,379	-	-	307,379
	142,781,439	15,000	-	142,796,439
Net Assets Released from Restrictions	25,000	(25,000)	-	-
Total Public Support and Revenue	142,806,439	(10,000)	-	142,796,439
EXPENSES				
Program Services:				
Donated Food Program	126,859,219	-	-	126,859,219
Supporting Services:				
Management and General	3,626,961	-	-	3,626,961
Fund Raising	2,778,556	-	-	2,778,556
Total Expenses	133,264,736	-	-	133,264,736
Change in Net Assets	9,541,703	(10,000)	-	9,531,703
Net Assets at Beginning of Year	102,638,003	25,000	151,094	102,814,097
Net Assets at End of Year	\$ 112,179,706	\$ 15,000	\$ 151,094	\$ 112,345,800

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Without Donor Restrictions	With Donor Restrictions Time and/or Purpose	In Perpetuity	Total
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributed Non-Financial Assets				
Donated Food	\$ 82,775,981	\$ -	\$ -	\$ 82,775,981
Grants and Contracts	6,109,599	-	-	6,109,599
Contributions	24,014,047	239,179	-	24,253,226
Revenue:				
Program Service Fees	649,519	-	-	649,519
Investment Return, Net	3,807,316	-	-	3,807,316
Other	208,052	-	-	208,052
	117,564,514	239,179	-	117,803,693
Net Assets Released from Restrictions	232,062	(232,062)	-	-
 Total Public Support and Revenue	 117,796,576	 7,117	 -	 117,803,693
EXPENSES				
Program Services:				
Donated Food Program	105,768,454	-	-	105,768,454
Supporting Services:				
Management and General	2,989,725	-	-	2,989,725
Fund Raising	2,627,926	-	-	2,627,926
 Total Expenses	 111,386,105	 -	 -	 111,386,105
 Change in Net Assets	 6,410,471	 7,117	 -	 6,417,588
Net Assets at Beginning of Year	96,227,532	17,883	151,094	96,396,509
Net Assets at End of Year	\$ 102,638,003	\$ 25,000	\$ 151,094	\$ 102,814,097

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Donated Food	Supporting Services		
	Program	Management and General	Fund Raising	Total
Donated Food Distributed to Others	\$ 102,221,496	\$ -	\$ -	\$ 102,221,496
Salaries and Related Expenses	10,581,563	2,367,624	1,232,883	14,182,070
Food Acquisitions	8,479,005	-	-	8,479,005
Fees for Service	150,908	220,349	1,323,048	1,694,305
Equipment Rent and Maintenance	1,008,032	20,717	19,105	1,047,854
Occupancy	1,060,689	35,056	-	1,095,745
Mileage and Freight	1,171,519	-	-	1,171,519
Professional Fees	54,628	548,798	42,900	646,326
Insurance	257,943	223,426	-	481,369
Supplies	352,859	36,008	39,837	428,704
Conferences and Meetings	91,654	49,868	12,416	153,938
Grants to Agencies	47,286	-	-	47,286
Telephone	60,302	41,033	4,341	105,676
Printing and Publication	19,985	15,949	37,077	73,011
Memberships	3,229	23,748	3,610	30,587
Postage	1,023	1,339	18,572	20,934
Miscellaneous	4,599	4,825	634	10,058
	<u>125,566,720</u>	<u>3,588,740</u>	<u>2,734,423</u>	<u>131,889,883</u>
Depreciation	<u>1,292,499</u>	<u>38,221</u>	<u>44,133</u>	<u>1,374,853</u>
TOTAL EXPENSES	<u><u>\$ 126,859,219</u></u>	<u><u>\$ 3,626,961</u></u>	<u><u>\$ 2,778,556</u></u>	<u><u>\$ 133,264,736</u></u>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Donated Food	Supporting Services		
	Program	Management and General	Fund Raising	Total
Donated Food Distributed to Others	\$ 81,577,833	\$ -	\$ -	\$ 81,577,833
Salaries and Related Expenses	8,458,904	1,789,923	1,127,730	11,376,557
Food Acquisitions	9,734,826	-	-	9,734,826
Fees for Service	184,223	150,543	1,312,733	1,647,499
Equipment Rent and Maintenance	1,477,514	131,319	33,087	1,641,920
Occupancy	926,996	21,734	-	948,730
Mileage and Freight	940,006	-	-	940,006
Professional Fees	137,172	668,529	59,371	865,072
Insurance	280,148	99,748	-	379,896
Supplies	339,503	25,360	2,039	366,902
Conferences and Meetings	203,686	41,612	10,551	255,849
Grants to Agencies	158,303	-	-	158,303
Telephone	47,166	8,928	4,231	60,325
Printing and Publication	16,379	2,891	30,811	50,081
Memberships	2,655	21,057	2,100	25,812
Postage	1,486	2,597	21,615	25,698
Miscellaneous	8,629	4,995	-	13,624
	<u>104,495,429</u>	<u>2,969,236</u>	<u>2,604,268</u>	<u>110,068,933</u>
Depreciation	<u>1,273,025</u>	<u>20,489</u>	<u>23,658</u>	<u>1,317,172</u>
TOTAL EXPENSES	<u><u>\$ 105,768,454</u></u>	<u><u>\$ 2,989,725</u></u>	<u><u>\$ 2,627,926</u></u>	<u><u>\$ 111,386,105</u></u>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 9,531,703	\$ 6,417,588
Adjustments to Reconcile Increase (Decrease) in Net Assets to		
Net Cash Provided by (Used by) Operating Activities:		
(Gain) Loss on Disposal of Property and Equipment	(30,813)	53,936
Depreciation	1,374,853	1,317,172
Unrealized (Gain) Loss on Investments	(1,459,220)	(1,478,429)
Donated Food Inventory	1,624,938	(1,716,326)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	442,606	(972,010)
Purchased Food Inventory	1,092,746	(1,987,870)
Prepaid Expenses	(143,939)	205,144
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(3,496,537)	3,799,998
Accrued Liabilities	191,799	41,403
Deferred Revenue	-	(161,061)
Net Cash Provided by (Used by) Operating Activities	<u>9,128,136</u>	<u>5,519,545</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(22,999,693)	(7,828,496)
Proceeds from Sale of Investments	10,157,421	6,947,430
Proceeds from Sale of Property and Equipment	91,204	-
Purchase of Property and Equipment	(870,830)	(659,669)
Net Cash Provided by (Used by) Investing Activities	<u>(13,621,898)</u>	<u>(1,540,735)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net Cash Provided by (Used by) Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,493,762)	3,978,810
Cash and Cash Equivalents at Beginning of Year	<u>57,441,731</u>	<u>53,462,921</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 52,947,969</u></u>	<u><u>\$ 57,441,731</u></u>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Central Texas Food Bank, Inc. (the Food Bank), formerly the Capital Area Food Bank of Texas, Inc, is a Texas nonprofit corporation. The Food Bank accepts food donations and distributes it to various agencies and food insecure individuals. On May 5, 2024, the Board of Directors voted to change the fiscal year end from September 30th to June 30th, effective for the fiscal year beginning October 1, 2025.

The Central Texas Food Bank Foundation (the Foundation), formerly the Capital Area Food Bank Foundation, also a Texas nonprofit corporation, was created in January 2000 to provide a stable source of revenue to support the Food Bank's general program operations. As of September 30, 2024, this entity was dissolved, all net assets were transferred to the Food Bank.

The Food Bank raises funds through government grants and donations from organizations, businesses and individuals. Funding is provided primarily by donated food received, public support, program fees, and grants and contracts. The Food Bank is a part of the Feeding America Network.

Consolidated Financial Statements. The accompanying consolidated financial statements include the financial statements of the Food Bank and the Foundation (collectively, the Organizations). The majority of the Foundation's Board of Directors is derived from the directors of the Food Bank's Board. All significant inter-company transactions have been eliminated in the consolidated financial statements.

Basis of Presentation. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net assets without donor restrictions— Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restriction — Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organizations and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions. Net assets with donor stipulations in perpetuity are also included in this class. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Cash Equivalents. The Organizations consider all deposits held at financial institutions or brokerage houses that are subject to withdrawal by check and investments with an original maturity of three months or less to be cash equivalents.

Investments. Investments are recorded at fair value as of year-end. Unrealized gains and losses as well as all interest and dividends earned are included in the change in unrestricted net assets in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Accounts Receivable. The Food Bank considers all recorded accounts and grants to be fully collectible. Accordingly, no allowance for credit losses is required.

Food Inventory. The Food Bank acts as an agent for the donors of food, distributing it to various agencies. Donated food inventory on-hand at September 30, 2024 and 2023, is recorded in the consolidated financial statements at an average value of \$1.97 and \$1.93, respectively, per pound as calculated by Feeding America, a nationwide network of member food banks.

Property and Equipment. Donations of property and equipment are recorded as support revenue at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Food Bank reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Purchased property and equipment is recorded at cost. There were no capital assets donated during the years ended September 30, 2024 and 2023.

During 2024, the Organizations changed the capitalization threshold for assets with a value \$1,000 to \$5,000 and a useful life more than 1 year. There was not a significant impact with this change. Assets retired from service during the year are charged against their accumulated depreciation account and removed from the fixed asset records. If the asset is not fully depreciated the residual asset balance is charged to depreciation expense for the current year.

Depreciation on property and equipment is provided using the straight-line method over estimated useful lives of the respective assets, ranging from 3 to 50 years. Upon sale or other disposition of assets, the costs and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected as an increase or decrease in net assets without donor restrictions.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Board Designated Net Assets. The Board of Directors has set aside amounts to be used for designated future purposes of the Organizations as reflected in these consolidated financial statements. A portion of the net assets without donor restrictions is set aside as an operating reserve fund in compliance with Feeding America recommendations.

Revenue Recognition. In accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605, *Revenue Recognition*, contributions (grants) received from federal, state, and local governments that are conditioned upon the Food Bank incurring certain qualifying costs are considered to be conditional promises to give and therefore are recognized as revenue as those costs are incurred.

Donations. Donated material and services, although significant in amount, are not recorded unless there is an objectively measurable basis for determining their fair value.

A substantial number of people donate significant amounts of services to the Food Bank. The consolidated financial statements do not reflect the value of these services as no objective basis exists for the reasonable measuring of the value of such services in accordance with FASB ASC 958-605-25. It is estimated that volunteers contributed approximately 133,355 and 101,415 hours to the food distribution program during the years ended September 30, 2024 and 2023, respectively.

Recognition of Donor Restrictions. Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions without donor restrictions are recorded as an increase in net assets without donor restrictions in the period in which the notice of unconditional promise to give is received.

Contributions or grants, which contain a donor-imposed restriction or a stipulation that the contribution cannot be used until a future period, are recorded as contributions with donor restrictions. Contributions, which are restricted with respect to the expenditure of the funds, are recorded as increases in net assets with donor restrictions available in the period in which the notice of grant award is received. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period in which the use restriction has been met or the time restriction lapses.

Federal Income Taxes. The Organizations are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and are classified as organizations other than private foundations. The Organizations' federal exempt organization returns for the years ended September 30, 2021, and after are subject to examination by the Internal Revenue Service.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Federal Income Taxes - Continued. The Organizations have adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to be met before being recognized in the consolidated financial statements.

Fair Value Measurement. The Organizations have implemented FASB ASC 820-10-50, *Fair Value Measurements*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10-50 are described below:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <p style="margin-left: 40px;">Quoted prices for similar assets or liabilities in active markets;</p> <p style="margin-left: 40px;">Quoted prices for identical or similar assets or liabilities in inactive markets;</p> <p style="margin-left: 40px;">Inputs other than quoted prices that are observable for the asset or liability;</p> <p style="margin-left: 40px;">Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</p> <p style="margin-left: 40px;">If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Fair Value Measurement - Continued. Common stocks and others, certificates of deposit, corporate bonds, mortgage pools, municipal bonds, CMO & asset backed securities, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Functional Allocation of Expenses. The costs of providing program, fundraising, and supporting services have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. The expenses that were not directly related to program or supporting services are allocated using the following methods:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Related Expenses	Time and Effort
Occupancy	Square Footage
Insurance	Square Footage
Depreciation	Square Footage

Use of Estimates and Assumptions. The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement. Effective October 1, 2023, the Organizations adopted the provisions of FASB ASC Topic 326, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13)*. This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. The impact of the adoption was not considered material to the consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Subsequent Events. Management of the Organizations have evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the consolidated financial statements were available to be issued. See Note 13.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30:

	2024	2023
Cash Held at Financial Institutions	\$ (1,550,156)	\$ 381,614
Money Market Accounts	54,498,125	57,060,117
	<u>\$ 52,947,969</u>	<u>\$ 57,441,731</u>

Cash in excess of daily requirements are held at financial institutions in high-yield saving and money market accounts. Cash held at financial institutions reflects net of outstanding checks.

NOTE 3 - INVESTMENTS

The Organizations follow FASB ASC 958-320-50. This standard requires entities to report investments in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities and changes in net assets. Investment income for the years ended September 30, 2024 and 2023, included in the Consolidated Statements of Activities and Changes in Net Assets, is summarized as follows:

	2024	2023
Unrealized Gain (Loss) on Investments	\$ 1,459,220	\$ 1,478,429
Realized Gain (Loss) on Investments	2,202,250	61,085
Interest and Dividends - Investments	3,558,673	2,356,242
Investment Fees	(51,600)	(88,440)
Investment Return, Net	<u>\$ 7,168,543</u>	<u>\$ 3,807,316</u>

Short-term investments are recorded at fair value and are recorded in the consolidated financial statements as cash and cash equivalents. Long-term investments are recorded at fair value as determined by quoted market prices, which is Level 1 under the fair value hierarchy. Market values and unrealized appreciation (depreciation) at September 30, 2024 and 2023, are summarized as follows:

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 3 - INVESTMENTS - CONTINUED

September 30, 2024:

<u>FOOD BANK</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Investments:			
Money Market Funds [Non-Sweep]	\$ 254,243	\$ 254,243	\$ -
U.S. Treasuries	-	-	-
Corporate Bonds	15,999,353	16,295,978	296,625
Municipal Bonds	-	-	-
Mortgage Pools	-	-	-
CMO & Asset Backed Securities	-	-	-
Common Stocks and Other	14,702,419	16,328,662	1,626,243
Total Food Bank	<u>\$ 30,956,015</u>	<u>\$ 32,878,883</u>	<u>\$ 1,922,868</u>

September 30, 2023:

<u>FOOD BANK</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Investments:			
Money Market Funds [Non-Sweep]	\$ 2,125,211	\$ 2,125,211	\$ -
U.S. Treasuries	956,556	901,305	(55,251)
Corporate Bonds	2,114,977	2,064,779	(50,198)
Municipal Bonds	100,615	99,235	(1,380)
Mortgage Pools	458	455	(3)
CMO & Asset Backed Securities	16,498	15,328	(1,170)
Common Stocks and Other	9,123,823	9,850,253	726,430
Total Food Bank	<u>14,438,138</u>	<u>15,056,566</u>	<u>618,428</u>

September 30, 2023:

<u>FOUNDATION</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Investments:			
Money Market Funds [Non-Sweep]	\$ 435,647	\$ 435,647	\$ -
U.S. Treasuries	98,872	93,836	(5,036)
Corporate Bonds	223,674	216,641	(7,033)
Municipal Bonds	55,674	55,001	(673)
Common Stocks and Other	1,744,446	2,719,700	975,254
Total Foundation	<u>2,558,313</u>	<u>3,520,825</u>	<u>962,512</u>
Total Food Bank and Foundation	<u>\$ 16,996,451</u>	<u>\$ 18,577,391</u>	<u>\$ 1,580,940</u>

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 4 - CONTRIBUTED NONFINANCIAL ASSETS

The Food Bank received donations of food from various sources including the United States Department of Agriculture, various private donors and reclamation items from area grocery stores and food distributors. The Food Bank received 62,830,234 and 53,290,073 pounds donated food during the years ended September 30, 2024 and 2023, respectively. Where donated food cannot be reported based upon market prices, it is reported at an estimated fair value using the weighted-average wholesale value per pound of food as determined in an annual study performed by Feeding America. The weighted-average wholesale value per pound of food was \$1.97 and \$1.93 for the fiscal years ended September 30, 2024 and 2023, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

The major classes of property and equipment held as of September 30, 2024 and 2023, are as follows:

	Life	2024	2023
Land	-	\$ 3,056,775	\$ 3,056,775
Construction in Progress	-	484,569	56,738
Building	5-50 years	19,609,751	19,510,451
Office Equipment	3-10 years	1,312,147	1,226,093
Warehouse Equipment	3-10 years	1,852,079	1,617,386
Vehicles	5-8 years	3,432,185	3,680,525
Kitchen Equipment	5-10 years	513,004	513,004
Garden	5-10 years	844,726	844,727
Agency Capacity	5-10 years	99,085	99,085
		31,204,321	30,604,784
Accumulated Depreciation		(8,721,552)	(7,557,601)
		<u>\$ 22,482,769</u>	<u>\$ 23,047,183</u>

Depreciation expense of \$1,374,853 and \$1,317,172 was recorded during the years ended September 30, 2024 and 2023, respectively.

NOTE 6 - CITY AND COUNTY GRANTS

Expenditures of the City of Austin and Travis County grant funds for the years ended September 30, 2024 and 2023, were \$1,791,877 and \$1,262,819, respectively.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 7 - NET ASSETS

The following are net assets with board designations which the Organizations held at September 30:

	2024	2023
For Future Food Distribution	\$ 1,885,570	\$ 3,510,508
For Operating Reserve	34,000,000	29,000,000
For CTFB Foundation	-	3,420,546
Total Net Assets with Board Designations	<u>\$ 35,885,570</u>	<u>\$ 35,931,054</u>

Board designated net assets are those funds set aside by the Board of the Organizations for the purpose of future planning and management of assets. These amounts can be undesignated or more funds can be designated by the board and can only be used for the specific purposes as noted above.

The following are net assets with donor restrictions which the Organizations held at September 30:

	2024	2023
Time or Purpose:		
Disaster support	\$ 10,000	\$ -
SFSP grant	5,000	-
Cargill Protein Hub and Spoke	-	25,000
	<u>15,000</u>	<u>25,000</u>
In Perpetuity:		
Endowment	<u>151,094</u>	<u>151,094</u>
Total Net Assets with Donor Restrictions	<u>\$ 166,094</u>	<u>\$ 176,094</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of events specified by the donors, or by the change of restrictions specified by the donors. Amounts were released during the years ending September 30:

	2024	2023
Cargill Protein Hub and Spoke	\$ 25,000	\$ -
Mobile Food Pantries	-	172,979
Backpack Program	-	59,083
	<u>\$ 25,000</u>	<u>\$ 232,062</u>

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 8 - THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

The Food Bank contracted with the Texas Department of Agriculture (TDA) for the distribution of USDA commodities to Food Bank partner agencies under The Emergency Food Assistance Program (TEFAP). During the years ended September 30, 2024 and 2023, the Food Bank recognized \$1,035,957 and \$1,126,240 of revenue, respectively, from TDA for reimbursement of allowable actual direct costs of storage and distribution of commodities. The related costs charged to the program totaled \$1,035,957 and 1,126,240 in 2024 and 2023, respectively.

NOTE 9 - RETIREMENT PLAN

The Food Bank participates in a 403(b) plan which is made up of a group of other local nonprofits sponsored by One Voice Central Texas. Eligible employees may contribute to the Plan a portion of their annual salary through payroll deductions. The Food Bank contributes 2% of each eligible employee's salary to the Plan and also matches up to 5% of each employee's salary reduction contribution. All full-time employees with one year of service are eligible to participate in the Plan. All Food Bank contributions are fully vested. For the years ended September 30, 2024 and 2023, the Food Bank contributed \$325,835 and \$273,913, respectively.

NOTE 10 - CONCENTRATION OF CREDIT RISK

The Organizations maintain cash deposits at financial institutions, which at times exceed federally guaranteed limits. Management closely monitors the financial institutions as well as the account balances. The Organizations have not experienced any losses on deposits at these institutions. Combined cash deposits of \$54,248,124 at financial institutions exceeded federally guaranteed limits at September 30, 2024.

In addition, the Organizations invest in various money market funds that are classified as cash equivalents in the consolidated financial statements. No losses were experienced during the period on these short-term investments, which are held by high credit quality institutions.

NOTE 11 - RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors of the Organizations contributed \$60,121 and \$49,995 during the years ended September 30, 2024 and 2023, respectively.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 12 - LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year at September 30,:

	2024	2023
Financial assets at year end:		
Cash and Cash Equivalents	\$ 52,947,969	\$ 57,441,731
Investments	32,878,883	18,577,391
Accounts Receivable	2,260,783	2,703,389
	<u>88,087,635</u>	<u>78,722,511</u>
Less amounts not available to be used within one year:		
Net Assets with Board Designations For CTFB Foundation	-	3,420,546
Net Assets with Donor Restrictions	166,094	176,094
	<u>166,094</u>	<u>3,596,640</u>
Financial assets available to meet general expenditures within one year	<u>\$ 87,921,541</u>	<u>\$ 75,125,871</u>

The Food Bank's goal is generally to maintain financial assets to meet 12 months of operating expenses. As part of its liquidity plan, excess cash may be invested in short term investments, including money market accounts, certificates of deposit, and U.S. Treasuries. Excess cash may also be invested in instruments like stocks and bonds that are easily converted to cash. A final potential source of liquidity is provided by funds from the Central Texas Food Bank Foundation that is treated as a quasi-endowment.

NOTE 13 - SUBSEQUENT EVENTS

The Food Bank Board of Directors approved in December, 2024 capital expenditures of \$25,000,000 to construct a new food hub in Waco, Texas providing the following services:

- A no-cost market offering client choice,
- Services to assist in SNAP applications and nutritional education,
- A full-service community kitchen,
- Culinary and logistics training programs,
- Volunteer engagement area, and
- A full-service warehouse to support the facility and partner agencies in the northern nine counties.

**CENTRAL TEXAS FOOD BANK, INC. AND
CENTRAL TEXAS FOOD BANK FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 13 - SUBSEQUENT EVENTS - CONTINUED

A former non-profit established by the Food Bank's Board, CAFB of TX Support Corporation, was renamed CTFB of TX Support Corporation. On January 10, 2025, the Food Bank and the CTFB of TX Support Corporation entered into a construction contract to build a new food hub in Waco, Texas. The contract has a guaranteed maximum price of \$20,911,926.

To fund part of this project, on February 11, 2025, the Food Bank (the leverage lender) entered into a New Markets Tax Credit (NMTCs) totaling \$18,000,000 with Rural Development Partners (the community development entity) and Capital One (the NMTC investor). The Food Bank, as part of the NMTCs financing, entered into an agreement to lend \$12,699,000 to COCRF Investor 305, LLC. The loan matures September 30, 2048, and bears an interest rate of 1.00%. A former non-profit established by the Food Bank's Board, CAFB of TX Support Corporation, was renamed CTFB of TX Support Corporation and will act as the Qualified Active Low-Income Business (QALICB). CTFB of TX Support Corporation executed loan agreements on February 11, 2025, that provide for borrowings of \$12,699,000 and \$4,941,000 from RDP 51 LLC. The QALICB loans matures on September 30, 2055, and bears an interest rate of 1.33222%.

The remaining \$7 million will be funded by the Food Bank through contributions, existing cash, and grants.

ADDITIONAL INFORMATION

CENTRAL TEXAS FOOD BANK, INC. AND CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2024

ASSETS	Food Bank				
	Operating	Operating Reserve	Total	Foundation	Eliminations
Cash and Cash Equivalents	\$ 18,947,969	\$ 34,000,000	\$ 52,947,969	\$ -	\$ -
Accounts Receivable	2,260,783	-	2,260,783	-	-
Investments	32,878,883	-	32,878,883	-	-
Donated Food Inventory	1,885,570	-	1,885,570	-	-
Purchased Food Inventory	1,828,503	-	1,828,503	-	-
Prepaid Expenses	352,755	-	352,755	-	-
Property and Equipment (Net of Accumulated Depreciation of \$8,721,552)	22,482,769	-	22,482,769	-	-
TOTAL ASSETS	\$ 80,637,232	\$ 34,000,000	\$ 114,637,232	\$ -	\$ -
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts Payable	\$ 1,380,971	\$ -	\$ 1,380,971	\$ -	\$ -
Accrued Liabilities	910,461	-	910,461	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	2,291,432	-	2,291,432	-	-
Net Assets:					
Net Assets Without Donor Restrictions:					
Undesignated	76,294,136	-	76,294,136	-	-
Designated for Future Food Distribution	1,885,570	-	1,885,570	-	-
Designated for Operating Reserve	-	34,000,000	34,000,000	-	-
Total Net Assets Without Donor Restrictions	78,179,706	34,000,000	112,179,706	-	-
Net Assets With Donor Restrictions:					
For Programs	15,000	-	15,000	-	-
In Perpetuity	151,094	-	151,094	-	-
Total Net Assets	78,345,800	34,000,000	112,345,800	-	-
TOTAL LIABILITIES AND NET ASSETS	\$ 80,637,232	\$ 34,000,000	\$ 114,637,232	\$ -	\$ -
					\$ 114,637,232

**CENTRAL TEXAS FOOD BANK, INC. AND CENTRAL TEXAS FOOD BANK FOUNDATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Food Bank				
	Operating Fund		In Perpetuity Donor Restrictions	Operating Reserve	Total
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions			
PUBLIC SUPPORT AND REVENUE					
Public Support:					
Donated Food Received for Distribution	\$ 97,580,518	\$ -	\$ -	\$ -	\$ 97,580,518
Grants and Contracts	9,076,327	-	-	-	9,076,327
Contributions	27,138,216	15,000	-	-	27,153,216
Revenue:					
Program Service Fees	1,510,456	-	-	-	1,510,456
Investment Return, Net	7,168,543	-	-	-	7,168,543
Other	307,379	-	-	-	307,379
	142,781,439	15,000	-	-	142,796,439
Net Assets Released from Restrictions	25,000	(25,000)	-	-	-
	142,806,439	(10,000)	-	-	142,796,439
Total Public Support and Revenue					
EXPENSES					
Program Services:					
Donated Food Program	126,859,219	-	-	-	126,859,219
Supporting Services:					
Management and General	3,626,961	-	-	-	3,626,961
Fund Raising	2,778,556	-	-	-	2,778,556
	133,264,736	-	-	-	133,264,736
Total Expenses					
Change in Net Assets	9,541,703	(10,000)	-	-	9,531,703
Transfers Among Funds	(1,579,454)	-	151,094	5,000,000	3,571,640
Net Assets at Beginning of Year	70,217,457	25,000	-	29,000,000	99,242,457
Net Assets at End of Year	\$ 78,179,706	\$ 15,000	\$ 151,094	\$ 34,000,000	\$ 112,345,800

See Independent Auditors' Report

**CENTRAL TEXAS FOOD BANK, INC. AND CENTRAL TEXAS FOOD BANK FOUNDATION,
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Foundation				Consolidated Total
	Foundation Funds				
	Without Donor Restrictions	In Perpetuity Donor Restrictions	Total		
PUBLIC SUPPORT AND REVENUE					
Public Support:					
Donated Food Received for Distribution	\$	-	\$	-	\$
Grants and Contracts		-		-	
Contributions		-		-	
Revenue:					
Program Service Fees		-		-	
Investment Return, Net		-		-	
Other		-		-	
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See Independent Auditors' Report