

**CENTRAL TEXAS FOOD BANK, INC.,
CENTRAL TEXAS FOOD BANK FOUNDATION,
and CAFB OF TX SUPPORT CORPORATION
(nonprofit organizations)
FINANCIAL STATEMENTS
and Other Financial Information
September 30, 2020 and 2019**

**WITH
INDEPENDENT AUDITORS' REPORT**

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BASIC FINANCIAL STATEMENTS



Independent Auditors' Report

To the Board of Directors of
Central Texas Food Bank, Inc.,
Central Texas Food Bank Foundation, and
CAFB of TX Support Corporation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation (all nonprofit organizations) which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, 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.

Management's Responsibility 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation as of September 30, 2020 and 2019, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Other Information

Our audits were conducted for the purpose of forming opinions on the basic consolidated financial statements as a whole. The accompanying consolidating schedule of financial position on page 25 and consolidating schedule of activities and changes in net assets by fund on page 27 are presented for purposes of additional analysis and are not required parts of the basic consolidated financial statements. The accompanying schedule of expenditures of federal awards on page 29 is presented for purposes of additional analysis 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* (Uniform Guidance), and is not a required part of the basic consolidated financial statements.

The consolidating schedules of financial position, activities and changes in net assets by fund, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic consolidated financial statements or to the basic 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 basic 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 February 14, 2021, on our consideration of Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation'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 Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation's internal control over financial reporting and compliance.



Austin, Texas

February 14, 2021

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 31,490,218	\$ 3,308,060
Accounts Receivable	1,344,329	826,750
Investments	6,643,097	6,101,638
Food Inventory Held for Distribution	7,146,224	3,094,043
Purchased Food Inventory	249,311	120,865
Prepaid Expenses	829,723	138,255
Property and Equipment (Net of Accumulated Depreciation of \$5,234,592 and \$4,763,598, respectively)	23,191,943	23,964,956
Notes Receivable	12,745,100	12,745,100
TOTAL ASSETS	\$ 83,639,945	\$ 50,299,667
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 260,702	\$ 365,189
Accrued Liabilities	656,428	462,684
Deferred Revenue	1,604,264	399,281
Long-Term Debt	1,268,800	1,480,834
New Market Tax Credit Notes Payable	18,075,899	17,970,040
Total Liabilities	21,866,093	20,678,028
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	42,538,232	15,430,512
Designated:		
For Future Food Distribution	7,146,224	3,094,043
For Property and Equipment	4,631,121	4,415,301
For Operating Reserve	3,702,003	3,333,861
For CAFB Foundation	2,996,015	2,620,325
Total Net Assets Without Donor Restrictions	61,013,595	28,894,042
Net Assets With Donor Restrictions:		
For Programs	609,163	576,503
In Perpetuity	151,094	151,094
Total Net Assets With Donor Restrictions	760,257	727,597
Total Net Assets	61,773,852	29,621,639
TOTAL LIABILITIES AND NET ASSETS	\$ 83,639,945	\$ 50,299,667

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time and/or Purpose	In Perpetuity	
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Donated Food Received for				
Distribution	\$ 90,174,884	\$ -	\$ -	\$ 90,174,884
Grants and Contracts	8,212,672	-	-	8,212,672
Contributions	38,618,617	2,464,337	-	41,082,954
Revenue:				
Program Service Fees	2,422,916	-	-	2,422,916
Investment Return, Net	901,355	-	-	901,355
Other	19,290	-	-	19,290
	140,349,734	2,464,337	-	142,814,071
Net Assets Released from Restrictions	2,431,677	(2,431,677)	-	-
Total Public Support and Revenue	142,781,411	32,660	-	142,814,071
EXPENSES				
Program Services:				
Donated Food Program	106,182,253	-	-	106,182,253
Supporting Services:				
Management and General	1,795,192	-	-	1,795,192
Fund Raising	2,684,413	-	-	2,684,413
Total Expenses	110,661,858	-	-	110,661,858
Change in Net Assets	32,119,553	32,660	-	32,152,213
Net Assets at Beginning of Year	28,894,042	576,503	151,094	29,621,639
Net Assets at End of Year	\$ 61,013,595	\$ 609,163	\$ 151,094	\$ 61,773,852

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time and/or Purpose	In Perpetuity	
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Donated Food Received for				
Distribution	\$ 74,753,257	\$ -	\$ -	\$ 74,753,257
Grants and Contracts	3,698,054	-	-	3,698,054
Contributions	9,076,807	1,977,554	-	11,054,361
Revenue:				
Program Service Fees	3,128,465	-	-	3,128,465
Investment Return, Net	556,725	-	-	556,725
Other	17,557	-	-	17,557
	91,230,865	1,977,554	-	93,208,419
Net Assets Released from Restrictions	1,500,083	(1,500,083)	-	-
Total Public Support and Revenue	92,730,948	477,471	-	93,208,419
EXPENSES				
Program Services:				
Donated Food Program	88,186,719	-	-	88,186,719
Supporting Services:				
Management and General	1,531,731	-	-	1,531,731
Fund Raising	2,327,298	-	-	2,327,298
Total Expenses	92,045,748	-	-	92,045,748
Change in Net Assets	685,200	477,471	-	1,162,671
Net Assets at Beginning of Year	28,208,842	99,032	151,094	28,458,968
Net Assets at End of Year	\$ 28,894,042	\$ 576,503	\$ 151,094	\$ 29,621,639

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 87,255,468	\$ -	\$ -	\$ 87,255,468
Salaries and Related Expenses	6,806,522	1,381,015	1,161,191	9,348,728
Food Acquisitions	7,758,039	-	-	7,758,039
Fees for Service	92,181	102,485	1,331,909	1,526,575
Equipment Rent and Maintenance	741,755	68,957	33,170	843,882
Occupancy	636,276	21,299	25,640	683,215
Mileage and Freight	677,823	-	-	677,823
Grants to Agencies	360,236	-	-	360,236
Supplies	212,190	29,058	16,481	257,729
Conferences and Meetings	125,162	49,421	13,061	187,644
Insurance	61,521	20,735	4,465	86,721
Professional Fees	9,808	39,989	7,332	57,129
Telephone	43,031	8,538	3,425	54,994
Printing and Publication	17,785	6,031	22,934	46,750
Postage	2,396	1,657	23,747	27,800
Memberships	1,073	3,283	2,743	7,099
Miscellaneous	-	504	-	504
	<u>104,801,266</u>	<u>1,732,972</u>	<u>2,646,098</u>	<u>109,180,336</u>
Interest	362,793	36,468	5,988	405,249
Depreciation	<u>1,018,194</u>	<u>25,752</u>	<u>32,327</u>	<u>1,076,273</u>
TOTAL EXPENSES	<u><u>\$ 106,182,253</u></u>	<u><u>\$ 1,795,192</u></u>	<u><u>\$ 2,684,413</u></u>	<u><u>\$ 110,661,858</u></u>

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 72,662,079	\$ -	\$ -	\$ 72,662,079
Salaries and Related Expenses	5,726,275	1,196,754	1,096,964	8,019,993
Food Acquisitions	5,246,702	-	-	5,246,702
Fees for Service	62,111	79,204	962,218	1,103,533
Equipment Rent and Maintenance	743,645	16,745	81,150	841,540
Occupancy	646,331	12,940	13,175	672,446
Mileage and Freight	657,195	-	-	657,195
Grants to Agencies	443,753	-	-	443,753
Supplies	269,091	31,001	27,204	327,296
Conferences and Meetings	162,496	63,793	44,782	271,071
Insurance	67,636	21,775	1,395	90,806
Professional Fees	-	45,353	5,205	50,558
Telephone	41,589	8,802	4,882	55,273
Printing and Publication	21,797	8,190	33,482	63,469
Postage	898	3,167	15,671	19,736
Memberships	939	10,471	3,203	14,613
Miscellaneous	455	6,073	723	7,251
	<u>86,752,992</u>	<u>1,504,268</u>	<u>2,290,054</u>	<u>90,547,314</u>
Interest	419,636	4,327	8,652	432,615
Depreciation	<u>1,014,091</u>	<u>23,136</u>	<u>28,592</u>	<u>1,065,819</u>
TOTAL EXPENSES	<u><u>\$ 88,186,719</u></u>	<u><u>\$ 1,531,731</u></u>	<u><u>\$ 2,327,298</u></u>	<u><u>\$ 92,045,748</u></u>

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	2020	2019
Change in Net Assets	\$ 32,152,213	\$ 1,162,671
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	32,214	30,561
Depreciation	1,076,273	1,065,819
Amortization	105,859	105,859
Unrealized (Gain) Loss on Investments	(363,412)	(290,011)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(517,579)	97,461
Food Inventory	(4,180,627)	(1,141,365)
Prepaid Expenses	(691,468)	(539)
Pledges Receivable	-	42,868
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(104,487)	185,794
Accrued Liabilities	193,744	90,730
Deferred Revenue	1,204,983	197,579
Net Cash Provided by (Used by) Operating Activities	28,907,713	1,547,427
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(1,694,832)	(1,262,974)
Proceeds from Sale of Investments	1,516,785	1,769,105
Proceeds from Sale of Property and Equipment	74,149	7,952
Purchase of Property and Equipment	(409,623)	(962,761)
Net Cash Provided by (Used by) Investing Activities	(513,521)	(448,678)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Long-Term Debt	(1,480,834)	(293,457)
Proceeds from Long-Term Debt	1,268,800	-
Net Cash Provided by (Used by) Financing Activities	(212,034)	(293,457)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	28,182,158	805,292
Cash and Cash Equivalents at Beginning of Year	3,308,060	2,502,768
Cash and Cash Equivalents at End of Year	\$ 31,490,218	\$ 3,308,060
 <u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash Paid During the Year for:		
Interest	\$ 299,390	\$ 326,756
Federal Income Taxes	\$ -	\$ -

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

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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.

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.

The CAFB of TX Support Corporation (the Support Corporation), also a Texas nonprofit corporation, was created in April 2015 and is organized and will be operated at all times exclusively for the benefit of the Food Bank. The Support Corporation constructed a new facility which it leases to the Food Bank.

The Food Bank raises funds through government grants and donations from organizations, businesses and individuals. A portion of the program costs is shared by the recipient agencies in correlation with the amount of food each agency receives. Funding is provided primarily by donated food received, public support, program fees, and grants and contracts.

Consolidated Financial Statements. The accompanying consolidated financial statements include the financial statements of the Food Bank, the Foundation, and the Support Corporation (collectively, the Organizations). The majority of the Foundation's Board of Directors is derived from the directors of the Food Bank's Board. The Support Corporation's Board of Directors is appointed by its sole member, the Food Bank. 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 statement of activities 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,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

**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 doubtful accounts 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, 2020 and 2019, is recorded in the financial statements at an average value of \$1.74 and \$1.62, 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, 2020 and 2019.

The Food Bank capitalizes all depreciable assets with a cost equal to or greater than \$500 with a useful life of more than one year. 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.

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.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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

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 141,293 and 164,736 hours to the food distribution program during the years ended September 30, 2020 and 2019, respectively.

Recognition of Donor Restrictions. Unconditional promises to give are recognized as revenues 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, 2016, and after are subject to examination by the Internal Revenue Service.

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.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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

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 | Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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. |
| 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, 2020.

Common stocks, 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.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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

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:

Expense	Method of Allocation
Salaries and Related Expenses	Time and Effort
Occupancy	Square Footage
Insurance	Square Footage
Depreciation	Square Footage

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

Recently Issued Accounting Pronouncements. The Organizations adopted FASB Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update assists entities in evaluating whether transactions should be accounting for as contributions as an exchange transactions, and determining whether a contribution is conditional. The Organizations have adjusted the presentation of these consolidated statements accordingly. The ASU has been applied retrospectively to all periods presented and accounts have been reclassified on the Consolidated Statements of Activities and Changes in Net Assets and Consolidated Statements of Functional Expenses to comply with this new standard.

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.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - CASH AND CASH EQUIVALENTS

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

	2020	2019
Cash Held at Financial Institutions	\$ 31,097,520	\$ 3,164,126
Money Market Accounts	392,698	143,934
	<u>\$ 31,490,218</u>	<u>\$ 3,308,060</u>

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, 2020 and 2019, included in the Consolidated Statements of Activities and Changes in Net Assets, is summarized as follows:

	2020	2019
Unrealized Gain (Loss) on Investments	\$ 363,412	\$ 290,011
Interest and Dividends	571,418	298,314
Investment Fees	(33,475)	(31,600)
Investment Return, Net	<u>\$ 901,355</u>	<u>\$ 556,725</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, 2020 and 2019, are summarized as follows:

September 30, 2020:	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
<u>FOOD BANK</u>			
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 246,720	\$ 246,720	\$ -
Long-Term Investments:			
U.S. Treasuries	452,037	453,440	1,403
Corporate Bonds	861,062	890,045	28,983
Municipal Bonds	101,070	101,499	429
Mortgage Pools	1,262	1,341	79
CMO & Asset Backed Securities	35,608	41,880	6,272
Common Stocks and Other	1,236,313	2,153,761	917,448
	<u>2,687,352</u>	<u>3,641,966</u>	<u>954,614</u>
Total Food Bank	<u>\$ 2,934,072</u>	<u>\$ 3,888,686</u>	<u>\$ 954,614</u>

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 3 - INVESTMENTS - CONTINUED

<u>FOUNDATION</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 145,978	\$ 145,978	\$ -
Long-Term Investments:			
Corporate Bonds	433,601	446,142	12,541
Government Obligations	228,207	233,348	5,141
Municipal Bonds	56,173	55,190	(983)
Common Stocks and Other	1,283,530	2,266,451	982,921
	<u>2,001,511</u>	<u>3,001,131</u>	<u>999,620</u>
Total Foundation	<u>\$ 2,147,489</u>	<u>\$ 3,147,109</u>	<u>\$ 999,620</u>
Total Food Bank and Foundation	<u>\$ 5,081,561</u>	<u>\$ 7,035,795</u>	<u>\$ 1,954,234</u>
September 30, 2019:			
<u>FOOD BANK</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 92,401	\$ 92,401	\$ -
Long-Term Investments:			
Certificates of Deposit	182,959	182,959	-
Corporate Bonds	733,413	745,456	12,043
Government Obligations	350,984	348,641	(2,343)
Municipal Bonds	126,245	128,162	1,917
Mortgage Pools	2,397	2,495	98
CMO & Asset backed Securities	46,877	52,783	5,906
Common Stocks and Other	1,169,586	1,921,256	751,670
	<u>2,612,461</u>	<u>3,381,752</u>	<u>769,291</u>
Total Food Bank	<u>\$ 2,704,862</u>	<u>\$ 3,474,153</u>	<u>\$ 769,291</u>

**CENTRAL TEXAS FOOD BANK, INC,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - INVESTMENTS - CONTINUED

<u>FOUNDATION</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 51,533	\$ 51,533	\$ -
Long-Term Investments:			
Corporate Bonds	429,897	434,244	4,347
Government Obligations	176,165	174,945	(1,220)
Municipal Bonds	56,324	55,677	(647)
Common Stocks and Other	1,240,999	2,055,020	814,021
	<u>1,903,385</u>	<u>2,719,886</u>	<u>816,501</u>
Total Foundation	<u>\$ 1,954,918</u>	<u>\$ 2,771,419</u>	<u>\$ 816,501</u>
 Total Food Bank and Foundation	 <u>\$ 4,659,780</u>	 <u>\$ 6,245,572</u>	 <u>\$ 1,585,792</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The major classes of property and equipment held as of September 30, 2020 and 2019, are as follows:

	Life	2020	2019
Land	-	\$ 3,056,775	\$ 3,056,775
Building	5-50 years	19,210,026	19,188,703
Office Equipment	3-10 years	1,431,469	1,376,217
Warehouse Equipment	3-10 years	843,436	752,360
Vehicles	5-8 years	3,205,065	3,676,478
Kitchen Equipment	5-10 years	454,521	452,778
Garden	5-10 years	161,297	161,297
Agency Capacity	5-10 years	63,946	63,946
		<u>28,426,535</u>	<u>28,728,554</u>
Accumulated Depreciation		<u>(5,234,592)</u>	<u>(4,763,598)</u>
		<u>\$ 23,191,943</u>	<u>\$ 23,964,956</u>

Depreciation expense of \$1,076,273 and \$1,065,819 was recorded during the years ended September 30, 2020 and 2019, respectively.

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 5 - NOTES RECEIVABLE

In connection with the issuance of New Market Tax Credits Financing (See Note 6) the Food Bank entered into the following notes receivable:

The Food Bank entered into an agreement on May 19, 2015, amended on August 19, 2015, to lend \$8,637,500 to Chase NMTC CAFB of TX Investment Fund, LLC (Chase NMTC Fund 1). The note is secured by Chase NMTC Fund 1's membership interest in TMF SUB-CDE XXIV, LLC (TMF CDE) and CNMC SUB-CDE 81, LLC (CNMC CDE), collectively the CDE's) and other cash accounts held by a secured party. Interest on the unpaid principal amount at the rate of one percent (1.00%) per annum shall be payable quarterly for interest accruing through the last day of the last month of the applicable quarter until August 31, 2022. The first quarterly payment shall be on June 10, 2015, and payments shall be made on each December 10, March 10, June 10, and September 10 thereafter through June 10, 2022.

On September 10, 2022, there shall be a one-time payment of \$35,471 reflecting a partial payment of interest for accrued and unpaid interest from July 1, 2022, through August 31, 2022, and a payment of principal and interest for a partial quarter beginning on September 1, 2022, and ending on September 30, 2022. Commencing on December 10, 2022, and continuing on each March 10, June 10, September 10, and December 10, thereafter until the maturity date of August 31, 2045, Chase NMTC Fund 1 shall make quarterly payments of principal and interest in an amount equal to \$106,431.

The Food Bank entered into an agreement on August 19, 2015, to lend \$4,107,600 to Chase NMTC CAFB of TX Investment Fund 2, LLC (Chase NMTC Fund 2). The note is secured by Chase NMTC Fund 2's membership interest in UACD SUB-CDE XIX, LLC (UACD CDE) and CNMC SUB-CDE. Interest on the unpaid principal amount at the rate of one percent (1.00%) per annum shall be payable quarterly for interest accruing through the last day of the last month of the applicable quarter until August 31, 2022. The first quarterly payment shall be on September 10, 2015, and payments shall be made on each December 10, March 10, June 10, and September 10 thereafter through June 10, 2022. On September 10, 2022, there shall be a one-time payment of \$23,524 reflecting a partial payment of interest for accrued and unpaid interest from July 1, 2022, through August 31, 2022, and a payment of principal and interest for a partial quarter beginning on September 1, 2022, and ending on September 30, 2022.

Commencing on December 10, 2022, and continuing on each March 10, June 10, September 10, and December 10, thereafter until the maturity date of August 31, 2045, Chase NMTC Fund 2 shall make quarterly payments of principal and interest in an amount equal to \$50,035.

Interest earned during the years ended September 30, 2020 and 2019, was \$218,139 and \$199,596, respectively.

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NOTE 6 - NEW MARKET TAX CREDITS NOTES PAYABLE

The Support Corporation executed loan agreements on August 19, 2015, that provide for borrowings of \$10,890,000, \$1,500,000 and \$5,880,000 from TMF SUB-CDE XXIV, LLC, CNMC SUB-CDE 81, LLC, and UACD SUB-CDE XIX, LLC, respectively. The loans were used to finance the building of a new facility and are intended to be treated as a “qualified low-income community investment” for purposes of generating New Market Tax Credits under Section 45D of the Internal Revenue Code of 1986, as amended. The loans are secured by a property deed of trust, security agreement and fixture filing on this property and a guaranty by the Food Bank.

Each loan accrues interest payable quarterly beginning in September 2015 with the principal balance due in its entirety on the stated maturity dates. The Support Corporation is not permitted to prepay any portion of the loans until the seventh anniversary of the loan. The balances outstanding on the notes payable, maturity dates and repayment terms are as follows:

	2020	2019
Note payable to TMF Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.23393%		
Loan A	\$ 7,640,600	\$ 7,640,600
Loan B	3,249,400	3,249,400
 Note payable to Chase NMC Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.23393%		
Loan A	996,900	996,900
Loan B	503,100	503,100
 Note payable to UACD Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.41293%		
Loan A	4,107,600	4,107,600
Loan B	1,772,400	1,772,400
Less Debt Issuance Costs	(194,101)	(299,960)
Total	\$ 18,075,899	\$ 17,970,040

At any time after the seventh anniversary and before the eighth anniversary of the combined amount of the Loan Bs above of \$5,524,900, JPMorgan Chase Bank, N.A. can exercise its put option to sell its interest in the Chase NMTC Fund to the Food Bank for \$2,000. After exercising its option to purchase the interest in the Chase NMTC Fund, the Food Bank may cancel the new market tax credits notes payable.

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NOTE 6 - NEW MARKET TAX CREDITS NOTES PAYABLE - CONTINUED

Costs associated with the issuance of debt are capitalized and amortized over the term of the respective financing arrangement using the straight-line method over seven years. Amortization expense of debt issuance costs totaled \$105,859 and \$105,859 for the years ended September 30, 2020 and 2019, respectively.

NOTE 7 - LONG-TERM DEBT

On August 19, 2015, the Food Bank entered into a construction loan with Compass Bank for up to \$10,000,000. Proceeds from the loan were used for the development and construction of new operating facilities located at 6500 Metropolis Drive in Austin, Texas.

The loan had a seven-year term and a variable interest rate of 1.20% + 30-day LIBOR adjusted monthly. Monthly interest payments were due until maturity at August 19, 2022, when all principal and unpaid interest were due. The amount of the monthly installment shall be equal to the amount which is calculated on the basis of a straight-line amortization of the outstanding principal balance of the loan over a period of one hundred twenty (120) months; monthly payments were principal of \$24,455 plus interest. Under the terms of the agreement, the Food Bank was required to maintain the Organizations' primary depository account with the lender. This loan was paid off in 2020.

In early 2020, the emergence of the Covid-19 Coronavirus pandemic led to significant volatility and declines in the local markets. The Food Bank is monitoring the evolving situation closely and evaluating its potential exposure. The Food Bank was granted funds under the Paycheck Protection Program in the amount of \$1,268,800 in April 2020 to cover certain costs as outlined by the program. Monthly payments of \$107,411 begin May 6, 2021, with a fixed interest rate of 1% and a maturity date of April 6, 2022. The first twelve months of interest owed are deferred until the maturity date. The full amount of the loan is expected to be forgiven.

The balances outstanding on the notes payable, maturity dates and repayment terms are as follows:

	2020	2019
Compass Bank Construction Loan	\$ -	\$ 1,480,834
Paycheck Protection Program Loan	1,268,800	-
Balance outstanding at September 30:	<u>\$ 1,268,800</u>	<u>\$ 1,480,834</u>

Future maturities of long-term debt are as follows:

<u>September 30,</u>	
2021	\$ 519,856
2022	748,944
	<u>\$ 1,268,800</u>

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 8 - CITY AND COUNTY GRANTS

Expenditures of the City of Austin and Travis County grant funds for the years ended September 30, 2020 and 2019, were \$2,555,985 and \$499,319, respectively.

NOTE 9 - NET ASSETS

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

	2020	2019
For Future Food Distribution	\$ 7,146,224	\$ 3,094,043
For Property and Equipment	4,631,121	4,415,301
For Operating Reserve	3,702,003	3,333,861
For CAFB Foundation	2,996,015	2,620,325
Total Net Assets with Board Designations	\$ 18,475,363	\$ 13,463,530

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:

	2020	2019
Time or Purpose:		
Property and Equipment	\$ 207,485	\$ 230,112
Starbucks Program	132,637	-
Healthy Pantry Initiative	65,130	79,979
Service Insights	61,537	-
Backpack Program	53,746	-
Commodity Supplemental Food Program	38,507	38,507
HI/Diabetes Grant	27,984	5,813
Census	22,137	-
White Mail and Other	-	135,560
Snack Pack	-	37,190
Nutrition Education Incentives	-	28,730
Middle Mile	-	11,786
Culinary Training	-	8,826
	609,163	576,503
In Perpetuity:		
Foundation	151,094	151,094
Total Net Assets with Donor Restrictions	\$ 760,257	\$ 727,597

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 9 - NET ASSETS - CONTINUED

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 released during the years ending September 30 were:

	2020	2019
Food Purchase	\$ 1,497,565	\$ 235,397
Property and Equipment	230,112	56,728
Mobile Food Pantries	214,050	169,445
Starbucks Program	175,274	116,770
Backpack Program	92,090	117,598
Kids' Café Program	85,500	184,506
Middle Mile	37,190	42,167
Service Insights	19,764	-
Fresh Food for Families Program	18,000	26,855
Culinary Training	15,813	42,187
Healthy Options Program for the Elderly (HOPE)	15,000	129,255
Healthy Pantry Initiative	14,849	92,486
Food for Thought	8,826	-
White Mail and Other	3,035	-
Census	2,863	-
Food Rescue Program	1,000	53,000
HI / Diabetes Grant	746	19,770
Power Pack	-	48,618
Food Stamp / Feeding Texas	-	47,727
Commodity Supplemental Food Program	-	42,134
Listen for Good	-	30,515
Miscellaneous Programs	-	25,507
ACA Outreach	-	10,000
Summer Feeding Program	-	5,650
Snack Pack	-	3,040
Nutrition Education Incentives	-	728
	<u>\$ 2,431,677</u>	<u>\$ 1,500,083</u>

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NOTE 10 - CONTRIBUTIONS

Contributions for the years ended September 30 are composed of receipts from:

	2020	2019
Individuals	\$ 26,495,780	\$ 5,359,404
Special Events and Other	4,311,182	2,883,903
Businesses	4,677,154	2,091,158
Foundations	3,256,791	637,644
Religious and Service Organizations	2,341,408	82,252
Individual In-Kind Donation	639	-
	<u>\$ 41,082,954</u>	<u>\$ 11,054,361</u>

NOTE 11 - TEXAS EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

The Food Bank contracted with the Texas Health and Human Services Commission (HHSC) for the distribution of USDA commodities to Food Bank partner agencies under The Emergency Food Assistance Program (TEFAP). During the years ended September 30, 2020 and 2019, the Food Bank recognized \$1,178,444 and \$958,762 of revenue, respectively, from HHSC for reimbursement of allowable actual direct costs of storage and distribution of commodities. The related costs charged to the program totaled \$1,178,444 and \$958,762 in 2020 and 2019, respectively.

NOTE 12 - 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, 2020 and 2019, the Food Bank contributed \$246,768 and \$222,584, respectively.

NOTE 13 - 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 \$30,251,573 at financial institutions exceeded federally guaranteed limits at September 30, 2020.

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NOTE 13 - CONCENTRATION OF CREDIT RISK - CONTINUED

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

NOTE 14 - RELATED PARTY TRANSACTIONS

The Central Texas Food Bank is an affiliate of Feeding America. As such, the Food Bank is offered donations from national food companies. The Food Bank received 16,855,399 and 11,844,222 pounds of food as a result of this affiliation during the periods ended September 30, 2020 and 2019, respectively. The Food Bank paid affiliate fees (dues) of \$15,984 and \$31,968 to Feeding America for the years ended September 30, 2020 and 2019, respectively.

Certain members of the Board of Directors of the Organizations contributed \$38,502 and \$70,732 during the years ended September 30, 2020 and 2019, respectively. The Organizations expensed \$0 and \$2,358 for services from companies to which certain members of the Board of Directors are associated during the years ended September 30, 2020 and 2019, respectively.

NOTE 15 - LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year at September 30, 2020 and 2019:

	2020	2019
Financial assets at year end:		
Cash and Cash Equivalents	\$ 31,490,218	\$ 3,308,060
Investments	6,643,097	6,101,638
Accounts Receivable	1,344,329	826,750
Notes Receivable	12,745,100	12,745,100
	52,222,744	22,981,548
Less amounts not available to be used within one year:		
Net Assets with Board Designations		
For Property and Equipment	4,631,121	4,415,301
For CAFB Foundation	2,996,015	2,620,325
Note Receivable	12,745,100	12,745,100
Net Assets with Donor Restrictions	760,257	727,597
	21,132,493	20,508,323
Financial assets available to meet general expenditures within one year	\$ 31,090,251	\$ 2,473,225

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 15 - LIQUIDITY AND AVAILABILITY - CONTINUED

The Food Bank's goal is generally to maintain financial assets to meet 90 days 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. Funds from the Foundation may be tapped if required in circumstances approved by the Board of Director of both organizations.

ADDITIONAL INFORMATION

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2020**

ASSETS	Food Bank		
	Operating	Property and Equipment	Operating Reserve
Cash and Cash Equivalents	\$ 31,567,465	\$ (393,383)	\$ 161,211
Accounts Receivable	1,332,328	12,001	-
Investments	101,174	-	3,540,792
Food Inventory Held for Distribution	7,146,224	-	-
Purchased Food Inventory	249,311	-	-
Prepaid Expenses	826,513	-	-
Pledges Receivable - Capital Campaign	-	-	-
Property and Equipment (Net of Accumulated Depreciation of \$5,234,592)	-	2,601,976	-
Notes Receivable	12,745,100	-	-
TOTAL ASSETS	\$ 53,968,115	\$ 2,220,594	\$ 3,702,003
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 145,004	\$ 114,648	\$ -
Accrued Liabilities	656,428	-	-
Deferred Revenue	1,604,264	-	-
Long-Term Debt	1,268,800	-	-
New Market Tax Credit Notes Payable	-	-	-
Total Liabilities	3,674,496	114,648	-
Net Assets:			
Net Assets Without Donor Restrictions:			
Undesignated	42,538,232	-	-
Designated for Future Food Distribution	7,146,224	-	-
Designated for Property and Equipment	-	2,105,946	-
Designated for Operating Reserve	-	-	3,702,003
Designated for CAFB Foundation	-	-	-
Total Net Assets Without Donor Restrictions	49,684,456	2,105,946	3,702,003
Net Assets With Donor Restrictions:			
For Programs	609,163	-	-
In Perpetuity	-	-	-
Total Net Assets	50,293,619	2,105,946	3,702,003
TOTAL LIABILITIES AND NET ASSETS	\$ 53,968,115	\$ 2,220,594	\$ 3,702,003

See Independent Auditors' Report

Total	Foundation	Support Corporation	Eliminations	Consolidated
\$ 31,335,293	\$ 145,978	\$ 8,947	\$ -	\$ 31,490,218
1,344,329	-	-	-	1,344,329
3,641,966	3,001,131	-	-	6,643,097
7,146,224	-	-	-	7,146,224
249,311	-	-	-	249,311
826,513	-	3,210	-	829,723
-	-	-	-	-
2,601,976	-	20,589,967	-	23,191,943
12,745,100	-	-	-	12,745,100
<u>\$ 59,890,712</u>	<u>\$ 3,147,109</u>	<u>\$ 20,602,124</u>	<u>\$ -</u>	<u>\$ 83,639,945</u>
\$ 259,652	\$ -	\$ 1,050	\$ -	\$ 260,702
656,428	-	-	-	656,428
1,604,264	-	-	-	1,604,264
1,268,800	-	-	-	1,268,800
-	-	18,075,899	-	18,075,899
<u>3,789,144</u>	<u>-</u>	<u>18,076,949</u>	<u>-</u>	<u>21,866,093</u>
42,538,232	-	-	-	42,538,232
7,146,224	-	-	-	7,146,224
2,105,946	-	2,525,175	-	4,631,121
3,702,003	-	-	-	3,702,003
-	2,996,015	-	-	2,996,015
<u>55,492,405</u>	<u>2,996,015</u>	<u>2,525,175</u>	<u>-</u>	<u>61,013,595</u>
609,163	-	-	-	609,163
-	151,094	-	-	151,094
<u>56,101,568</u>	<u>3,147,109</u>	<u>2,525,175</u>	<u>-</u>	<u>61,773,852</u>
<u>\$ 59,890,712</u>	<u>\$ 3,147,109</u>	<u>\$ 20,602,124</u>	<u>\$ -</u>	<u>\$ 83,639,945</u>

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Food Bank					
	Operating Fund		Property and Equipment		Operating Reserve	Total
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	Without Donor Restrictions	Time and/or Purpose Donor Restrictions		
PUBLIC SUPPORT AND REVENUE						
Public Support:						
Donated Food Received for Distribution	\$ 90,174,884	\$ -	\$ -	\$ -	\$ -	\$ 90,174,884
Grants and Contracts	8,212,672	-	-	-	-	8,212,672
Contributions	38,538,807	2,464,337	69,810	-	-	41,072,954
Revenue:						
Program Service Fees	2,422,916	-	-	-	-	2,422,916
Investment Return, Net	167,523	-	-	-	368,142	535,665
Other	51,504	-	(32,214)	-	-	19,290
	<u>139,568,306</u>	<u>2,464,337</u>	<u>37,596</u>	<u>-</u>	<u>368,142</u>	<u>142,438,381</u>
Net Assets Released from Restrictions	<u>2,201,565</u>	<u>(2,201,565)</u>	<u>230,112</u>	<u>(230,112)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>141,769,871</u>	<u>262,772</u>	<u>267,708</u>	<u>(230,112)</u>	<u>368,142</u>	<u>142,438,381</u>
EXPENSES						
Program Services:						
Donated Food Program	105,061,246	-	463,393	-	-	105,524,639
Supporting Services:						
Management and General	1,765,562	-	17,750	-	-	1,783,312
Fund Raising	2,646,435	-	18,056	-	-	2,664,491
Total Expenses	<u>109,473,243</u>	<u>-</u>	<u>499,199</u>	<u>-</u>	<u>-</u>	<u>109,972,442</u>
Change in Net Assets	32,296,628	262,772	(231,491)	(230,112)	368,142	32,465,939
Transfers Among Funds	(1,136,727)	-	1,136,727	-	-	-
Net Assets at Beginning of Year	<u>18,524,555</u>	<u>346,391</u>	<u>1,200,710</u>	<u>230,112</u>	<u>3,333,861</u>	<u>23,635,629</u>
Net Assets at End of Year	<u>\$ 49,684,456</u>	<u>\$ 609,163</u>	<u>\$ 2,105,946</u>	<u>\$ -</u>	<u>\$ 3,702,003</u>	<u>\$ 56,101,568</u>

See Independent Auditors' Report

CENTRAL TEXAS FOOD BANK, INC
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020 - Continued

	Foundation			Support Corporation		Eliminations	Consolidated
	Foundation Funds			Support Corporation Funds			
	Without Donor Restrictions	In Perpetuity Donor Restrictions	Total	Without Donor Restrictions	Total		
PUBLIC SUPPORT AND REVENUE							
Public Support:							
Donated Food Received for Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,174,884
Grants and Contracts	-	-	-	-	-	-	8,212,672
Contributions	10,000	-	10,000	278,464	278,464	(278,464)	41,082,954
Revenue:							
Program Service Fees	-	-	-	-	-	-	2,422,916
Investment Return, Net	365,690	-	365,690	-	-	-	901,355
Other	-	-	-	-	-	-	19,290
	375,690	-	375,690	278,464	278,464	(278,464)	142,814,071
Net Assets Released from Restrictions	-	-	-	-	-	-	-
Total Public Support and Revenue	375,690	-	375,690	278,464	278,464	(278,464)	142,814,071
EXPENSES							
Program Services:							
Donated Food Program	-	-	-	936,078	936,078	(278,464)	106,182,253
Supporting Services:							
Management and General	-	-	-	11,880	11,880	-	1,795,192
Fund Raising	-	-	-	19,922	19,922	-	2,684,413
Total Expenses	-	-	-	967,880	967,880	(278,464)	110,661,858
Change in Net Assets	375,690	-	375,690	(689,416)	(689,416)	-	32,152,213
Transfers Among Funds	-	-	-	-	-	-	-
Net Assets at Beginning of Year	2,620,325	151,094	2,771,419	3,214,591	3,214,591	-	29,621,639
Net Assets at End of Year	\$ 2,996,015	\$ 151,094	\$ 3,147,109	\$ 2,525,175	\$ 2,525,175	\$ -	\$ 61,773,852

See Independent Auditors' Report

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Number	Disbursements	Pass-Through To Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed Through the Texas Department of Agriculture (TDA)				
Texas Commodity Assistance Trade Mitigation Program (Administrative Costs)	10.178	01576	\$ 556,781	\$ -
CACFP	10.558	01576	255,079	-
Summer Food Service Program	10.559	01576	261,770	-
<u>The Emergency Food Assistance - Cluster</u>				
Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities) (Note A)	10.569	01576	17,069,667	11,414,173
Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)	10.568	01576	945,925	-
Commodity Supplemental Food Program (Food Commodities) (Note B)	10.565	01576	777,519	777,519
Commodity Supplemental Food Program (Administrative Costs)	10.565	01576	232,519	-
Total Emergency Food Assistance - Cluster			19,025,630	12,191,692
Total passed through TDA			20,099,260	12,191,692
Total U. S. Department of Agriculture			20,099,260	12,191,692
<u>Department of the Treasury</u>				
Passed Through the Texas Department of Emergency Management (TDEM)				
Corona Virus Relief Fund	21.019		625,000	-
Total Department of the Treasury			625,000	-

See Independent Auditors' Report

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Number	Disbursements	Pass-Through To Subrecipients
<u>Department of Homeland Security</u>				
Emergency Food and Shelter National Board Program	97.024	7824-00-006	\$ 95,907	\$ 80,660
Passed Through the Texas Department of Emergency Management (TDEM)				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>1,875,000</u>	<u>-</u>
Total Department of Homeland Security			<u>1,970,907</u>	<u>80,660</u>
TOTAL FEDERAL AWARDS			<u>\$ 22,695,167</u>	<u>\$ 12,272,352</u>

Note A - This program represents food with a value of \$17,069,667 which was distributed under the TEFAP program, Trade Mitigation, CARES, and FFCRA.

Note B - This program represents food with a value of \$777,519 which was distributed under the CSFP program.

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central Texas Food Bank, Inc. (the Food Bank) under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the 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 presents only a selected portion of the operations of the Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Food Bank.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE C - INDIRECT COST RATE

The Food Bank has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS

The Food Bank passed-through federal awards to the following subrecipients:

Agency Name	CFDA 10.569	CFDA 10.565	CFDA 97.024	Total
	TEFAP	CSFP	EFSP	
A New Entry Inc.	\$ 4,786	\$ -	\$ -	\$ 4,786
A New Entry McCabe Center	18,733	-	327	19,060
ABC - FBC Elgin	33,180	-	-	33,180
ABC - Primera Baptist Church	47,722	-	-	47,722
Abiding Love Lutheran Church	53,857	12,188	426	66,471
Acts Storehouse	21,611	-	-	21,611
Agape Food Pantry of Taylor	26,231	-	366	26,597
AISD	1,335	-	-	1,335
ALCOG	46,393	-	-	46,393
AMEN	21,999	-	-	21,999
Antioch Food Pantry	1,032	-	-	1,032
Assembly of Prayer Food Pantry	13,494	-	-	13,494
ATCIC Project Recovery	5,087	-	16	5,103
Austin Baptist Chapel	3,560	-	-	3,560
Austin Restoration Ministries	7,111	-	358	7,469
Austin Spanish Seventh Day Adv	54,283	-	-	54,283

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Austin Voices Burnet	\$ 54,884	\$ -	\$ -	\$ 54,884
Austin Voices Dobie	75,907	-	-	75,907
Austin Voices Lanier	90,687	-	-	90,687
Austin Voices Webb	16,661	-	-	16,661
B & G Club Clements Teen Ctr	18,411	-	-	18,411
B & G Club Gatesville	753	-	-	753
Bannockburn Baptist Church	22,488	-	1,390	23,878
Baptist Benevolence Ministry	13,774	-	-	13,774
Bastrop County Emergency Food Pantry	58,418	17,065	-	75,483
Baylor University - The Store	3,119	-	-	3,119
Bell Community Giveaway	118,345	-	-	118,345
Bethany Faith Food Pantry	4,404	-	60	4,464
Blackland Neighborhood Center	5,675	-	-	5,675
Blanco Good Samaritan	84,547	7,212	-	91,759
Blessings From God FP	46,137	-	-	46,137
Bread For All	52,488	-	595	53,083
Buda UMC Food Pantry	30,143	-	-	30,143
C.L.C. Food Pantry	4,181	-	-	4,181
Caldwell County Christian	244,405	-	-	244,405
Cambridge Villas Senior Living	-	6,072	-	6,072
Caritas of Austin	427	-	-	427
Caritas of Mexia	30,131	-	-	30,131
Caritas of Waco, Inc.	184,568	26,275	-	210,843
Carver Park Baptist Church	34,616	-	-	34,616
Casa Marianella	10,450	-	62	10,512
Celebration House	9,062	-	-	9,062
Cenikor Foundation	11,526	-	-	11,526
Cenikor Foundation Austin	10,975	-	-	10,975
Cen-Tex Alcoholic Rehab	30,559	-	-	30,559
Central Faith CDC	1,669	-	-	1,669
Central Texas Children's Center	467	-	-	467
Central Texas Housing Consortium	-	10,049	-	10,049
Central TX Children's Home	2,774	-	-	2,774
Chapel of the Hills	28,191	-	-	28,191
Chilton Community Food Pantry	13,525	-	-	13,525
Christ the King Catholic Church	9,894	-	-	9,894
Christian Farms Treehouse	14,911	-	-	14,911
Church of Christ Marble Falls	22,359	-	-	22,359
Church of the Open Door	89,932	-	-	89,932

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Churches Touching Lives for Christ	\$ 154,628	\$ 156,160	\$ -	\$ 310,788
Circle of Hope Community Center	30,603	8,645	-	39,248
CIS Connections Program	53	-	-	53
CIS-Greater Central Texas Inc	736	-	-	736
City View at the Park	-	5,901	-	5,901
Cobblestone Court	-	3,191	-	3,191
Community Cupboard	7,337	-	-	7,337
Community of Hope Inc.	20,698	-	-	20,698
Concho Valley Regional FB	269,234	-	-	269,234
Cornerstone Fellowship	34,073	-	-	34,073
Costal Bend Food Bank	24,729	-	-	24,729
Cove House	2,492	-	-	2,492
Covenant Food Pantry	60,819	-	1,487	62,306
Cristo Rey Social Ministries	9,642	-	48	9,690
CTFB Shop For	4,542	-	-	4,542
Destiny Food Pantry	24,815	-	-	24,815
Dorcas Passion Ministries	18,456	-	452	18,908
East Austin Neighborhood Center	4,301	-	-	4,301
Ebenezer CDC	8,801	-	54	8,855
Eberhart Place	-	5,488	-	5,488
El Buen Samaritano	74,735	-	1,960	76,695
El Pasoans Food Bank	157,796	-	-	157,796
Elgin Seventh Day Adventist	50,687	-	-	50,687
Elm Ridge Apartments	1,620	-	-	1,620
Eternal Faith Baptist Church	20,150	-	960	21,110
Faith Food Pantry	14,660	-	-	14,660
Falls Co. Samaritan House	14,219	-	-	14,219
Families in Crisis - Killeen	9,393	-	-	9,393
Families in Crisis - Temple	4,035	-	-	4,035
Family Abuse Center	2,080	-	-	2,080
Family Crisis Center--Bastrop	776	-	-	776
Family of Faith	24,125	-	-	24,125
Feed My Sheep - Temple	8,007	-	-	8,007
Feed the Comm. Pantry/Gateway	12,027	-	227	12,254
First Baptist Church - Salado	10,498	-	-	10,498
First Baptist Church Marble Falls	18,386	-	-	18,386
First Baptist Church of Kyle	19,194	-	-	19,194
Fishes & Loaves	7,252	-	-	7,252
Florence Community Food Pantry	20,590	-	674	21,264

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Food Bank of Rio Grande Valley	\$ 16,627	\$ 16,540	\$ -	\$ 33,167
Food Care Center	328,721	-	-	328,721
Foundation Comm. - Crossroads	13,395	-	168	13,563
Foundation Comm.- Lakeline	14,206	-	-	14,206
Foundation Comm.- Arbor Terrace	9,655	-	294	9,949
Foundation Comm.- Bluebonnet Studios	7,193	-	-	7,193
Foundation Comm.- Capital Studios	7,190	-	149	7,339
Foundation Comm.- Cardinal Points	12,943	-	77	13,020
Foundation Comm.- Daffodil	13,936	-	44	13,980
Foundation Comm.- Garden Terrace	7,284	-	218	7,502
Foundation Comm.- Homestead Oaks	4,346	-	451	4,797
Foundation Comm.- M Station	15,791	-	102	15,893
Foundation Comm.- Sierra Ridge	21,061	-	259	21,320
Foundation Comm.- Sierra Vista	25,545	-	228	25,773
Foundation Comm.- Skyline Terrace	5,762	-	-	5,762
Foundation Comm.- Spring Terrace	9,999	-	463	10,462
Foundation Comm.- SW Trails	15,233	-	153	15,386
Foundation Comm.- Trails	19,133	-	347	19,480
Foundation Comm.-Vintage	20,301	-	-	20,301
Foundation Communities - SRO	45,370	-	1,174	46,544
Foundation Communities - The Jordan at Muelle	7,620	-	37	7,657
Franklin Gardens	-	3,721	-	3,721
Fredericksburg Food Pantry	35,030	-	-	35,030
Friends in Crisis	12,406	-	-	12,406
Front Steps (ARCH)	2,949	-	28	2,977
Galveston Food Bank	24,387	-	-	24,387
Gatesville Care Center	114,389	-	-	114,389
Georgetown Back Pack Buddy	3,423	-	-	3,423
Gethsemane Lutheran Church	12,117	-	379	12,496
Giddings Food Pantry	122,375	-	-	122,375
Glad Tidings Food Pantry	19,578	-	-	19,578
Goldthwaite Evangelism Center	24,243	-	-	24,243
Goodwill Excel Center	1,512	-	32	1,544
Grace Baptist Church	207,274	14,702	-	221,976
Greater Christ Gospel	28,648	-	-	28,648
Greater Mount Zion Baptist	33,560	-	1,404	34,964
Green Doors	10,479	-	350	10,829
HACA - Lakeside	-	14,129	-	14,129
HACA - Pathways at Booker T. Washington	-	4,915	-	4,915

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
HACA - Pathways at Bouldin Oaks	\$ -	\$ 4,462	\$ -	\$ 4,462
HACA - Pathways at Chalmers Courts South	-	4,022	-	4,022
HACA - Pathways at Gaston Place	-	7,777	-	7,777
HACA - Pathways at Georgian Manor	-	2,538	-	2,538
HACA - Pathways at Goodrich Place	-	1,214	-	1,214
HACA - Pathways at Menchaca II	-	976	-	976
HACA - Pathways at Menchaca Village	-	1,326	-	1,326
HACA - Pathways at Northloop Apartments	-	14,504	-	14,504
HACA - Pathways at Shadowbend Ridge	-	1,895	-	1,895
HACA - Rosewood Courts	-	2,608	-	2,608
HACA - Salina	-	2,277	-	2,277
HACA - Santa Rita Courts	-	1,941	-	1,941
HACA - Thurmond Heights Apartments	-	3,857	-	3,857
HACA-Pathways at Coronado Hills	-	3,319	-	3,319
Hamilton-Manjang Mission House	81,705	-	-	81,705
Hands of Love	12,888	-	-	12,888
Hands of Mercy Waco	7,812	-	-	7,812
Harker Heights Food Center	19,261	-	-	19,261
Harris Branch Senior Living	-	3,076	-	3,076
Harvest Blessings: Trv. Hts. Christian Outreach	534,757	-	2,491	537,248
Haynie Chapel UMC	24,180	-	710	24,890
Hays County Food Bank	147,325	-	-	147,325
Heaven's Harvest	48,763	-	-	48,763
Helping Center Marble Falls	41,152	-	-	41,152
Helping Hands Dripping Springs	93,099	-	-	93,099
Helping Hands Ministries	117,976	-	-	117,976
Heritage Pointe Apartments	-	19,852	-	19,852
Highland Lakes COC	12,686	-	-	12,686
Highland Lakes Family Crisis	3,732	-	-	3,732
Hill Country Comm. Ministries	173,422	-	3,068	176,490
Holy Family SVDP	136,655	-	-	136,655
Hope Alliance	773	-	-	773
Hope Food Pantry Austin	169,930	-	16,837	186,767
Hope Lutheran Church	3,359	-	265	3,624
House of Mercy	50,591	-	-	50,591
House Where Jesus Shines, The	5,616	-	-	5,616
Houston Food Bank	314,359	-	-	314,359
Hutto Resource Center	22,195	-	109	22,304
Hyde Park Baptist Church	8,550	-	464	9,014

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
ICNA-NAMCC Food Pantry	\$ 122,279	\$ -	\$ 302	\$ 122,581
IE Inc.	20,028	-	1,015	21,043
Impact Now Dove Springs	46,882	-	1,094	47,976
Jarrell Community Food Pantry	11,614	-	146	11,760
Joe Roland Community Center	12,698	-	-	12,698
Johnson City Christian Food Pantry	11,158	-	-	11,158
Joseph's Ministry	9,488	-	-	9,488
Joseph's Storehouse	30,388	-	-	30,388
Keep Kids Fed	9,688	-	-	9,688
Kidz Turn	4,374	-	-	4,374
Killeen Empowerment Center	8,463	-	-	8,463
La Care	51,826	-	-	51,826
Lake Travis Crisis Ministries	26,217	-	1,576	27,793
LAMA Luling Food Bank	19,405	-	-	19,405
Lampasas Mission	29,192	19,386	-	48,578
Leander Church of Christ	70,649	-	424	71,073
Llano Food Pantry	639	-	-	639
Lometa Food Pantry	14,941	-	-	14,941
Lord's Community Storehouse	38,841	-	-	38,841
Lorena Shepherds Heart	44,342	-	-	44,342
Love & Learning	6,545	-	-	6,545
Love of Christ	291,533	19,780	-	311,313
Manos de Cristo	14,840	-	98	14,938
Mary Lee Found. Southpointe	15,529	-	561	16,090
Mary Lee Foundation	13,159	-	187	13,346
MCC Food Pantry	15,695	-	-	15,695
Micah 6	74,414	-	817	75,231
Mid-South Food Bank	244,728	-	-	244,728
Mission Cristiana Intl/LIDS	11,689	-	149	11,838
Mission Possible B.A.G.S.	3,761	-	163	3,924
Mission Waco-Manna House	1,822	-	-	1,822
Mobile Loaves and Fishes				
Community First Village	5,268	-	-	5,268
Nolanville Food Pantry	21,040	-	-	21,040
Oak Hill Baptist Church	47,193	-	1,076	48,269
OFCC Food Pantry	10,269	-	-	10,269
Olivet Helping Hands Center	7,621	-	868	8,489
Onion Creek Senior Citizens	3,348	-	-	3,348
Operation Liberty Hill	41,563	-	1,960	43,523

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Operation Phantom Support	\$ 246,851	\$ -	\$ -	\$ 246,851
Our Lady of Guadalupe	7,317	-	99	7,416
Our Lady's Maronite Food Pantry	1,024	-	129	1,153
PARD - Alamo Rec Center	-	5,468	-	5,468
PARD - Conley Guerrero Recreation	-	13,333	-	13,333
PARD - Gus Garcia Rec Center	-	22,882	-	22,882
PARD - South Austin Senior Center	-	584	-	584
PARD - Virginia Brown Rec Ctr	-	2,289	-	2,289
Pflugerville First UMC	50,888	-	431	51,319
Phoenix House	3,310	-	-	3,310
Principe De Paz	50,479	-	274	50,753
Project Transitions	4,800	-	96	4,896
PRS - Arbors at Creek Side	-	10,843	-	10,843
PRS - Lucero Apartments	-	2,979	-	2,979
Rayo de Luz Pantry	20,951	-	-	20,951
Rebekah Baines Johnson Center	-	16,841	-	16,841
Reveal Resource Center	146,546	4,591	4,587	155,724
River City Youth	2,181	-	-	2,181
River of Life Community Food Pantry	-	62,732	-	62,732
Rockdale Christian Services	13,162	16,286	-	29,448
Rogers Community Alliance	-	12,296	-	12,296
Rosanky Baptist Church	17,221	-	-	17,221
Rosewood-Zaragosa Center	24,755	-	-	24,755
Rosewood-Zaragosa Center	1,611	-	-	1,611
Round Rock Serving Center	322,733	-	-	322,733
Sacred Heart Catholic Church	2,014	-	-	2,014
SAFE	10,916	-	934	11,850
Saint Louise House	10,954	-	192	11,146
Saint Louise House (Lamar)	9,601	-	146	9,747
Salvation Army - Adult Rehabilitation Center	2,950	-	-	2,950
Salvation Army - Downtown Shelter	15,112	-	-	15,112
Salvation Army - Shelter for Women and Child.	4,692	-	28	4,720
Salvation Army Temple	18,610	-	393	19,003
San Antonio Food Bank	56,533	18,522	-	75,055
Santa Cruz Catholic Church	10,221	-	-	10,221
Santa Rosa Food Pantry	104,392	-	3,233	107,625
Schulenburg Area Food Pantry	27,707	-	-	27,707
Second Missionary Bap. Church	23,226	-	-	23,226
Seventh Day Adventist RR	62,535	-	16	62,551

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Sharing the Harvest	\$ 71,053	\$ -	\$ -	\$ 71,053
Shepherd's Heart - Elm Mott	21,646	-	-	21,646
Shepherd's Heart - Living Word	13,985	-	-	13,985
Shepherd's Heart - Robinson	90,788	-	-	90,788
Shepherd's Heart - Taylor	118,808	20,722	-	139,530
Shepherd's Heart - Waco	459,242	44,645	-	503,887
Smithville Food Pantry	67,700	17,488	-	85,188
South Austin Church of Nazaren	29,455	-	1,296	30,751
South Austin Neighborhood Ctr	3,701	-	-	3,701
South Texas Food Bank	-	15,931	-	15,931
Southeast Texas Food Bank	32,537	-	-	32,537
Southside Church of Christ FP	48,729	-	-	48,729
Spicewood Helping Hands Crisis	23,555	-	961	24,516
SSVDP Council	54,395	-	750	55,145
St. Andrews Presbyterian Church	14,819	-	253	15,072
St. Anthony Marie de Claret	8,467	17,095	-	25,562
St. Elizabeth-SVDP	13,154	-	431	13,585
St. George's Court	7,429	8,751	300	16,480
St. Ignatius Catholic Church	102,203	-	2,268	104,471
St. Johns Community Center	2,720	-	16	2,736
St. Louis Food Pantry	24	-	503	527
St. Mary's Catholic Church	30,383	-	-	30,383
St. Vincent de Paul - Temple	80,036	-	-	80,036
Stonehaven Resident Council	8,858	-	-	8,858
SVDP Round Rock	11,553	-	171	11,724
SVDP St. Martin de Porres	24,711	-	-	24,711
Taylor's Valley Baptist Church	71,661	-	-	71,661
Temple College Foundation	294	-	-	294
Texas Baptist Children's Home	2,399	-	155	2,554
The Caring Place	383,369	-	7,254	390,623
The Refuge Mobile Food Pantry	42,235	-	-	42,235
Travis County Community Center - Del Valle	51,423	-	-	51,423
Travis County Community Center - Jonestown	64,017	-	-	64,017
Travis County Community Center - Manor	31,724	-	-	31,724
Travis County Community Center - Oak Hill	40,780	-	-	40,780
Travis County Community Center - Palm Square	50,449	-	-	50,449
Travis County Community Center - Pflugerville	118,906	-	-	118,906
Travis County Community Center - Post Rd	40,145	-	-	40,145
Trinity CDC	1,243	-	131	1,374

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Trinity Center	\$ 313	\$ -	\$ -	\$ 313
Val Verde Community Center	10,433	-	-	10,433
Village at Collinwood	-	5,154	-	5,154
Village Christian Apartments	-	3,856	-	3,856
Vineyard Christian Fellowship	33,634	-	618	34,252
Vivent Health	35,890	-	2,333	38,223
Waco Child Care	13,627	-	-	13,627
Welcome Table	32,691	-	1,462	34,153
West Texas Food Bank	28,345	17,729	-	46,074
Western Trails Apartments	-	5,927	-	5,927
Westover Hills Church of Chris	57,889	-	1,001	58,890
Wildflower Terrace Senior Apartments	-	3,512	-	3,512
William's House	5,900	-	-	5,900
Zion Chapel MBC	7,901	-	-	7,901
	<u>\$ 11,414,173</u>	<u>\$ 777,519</u>	<u>\$ 80,660</u>	<u>\$ 12,272,352</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Texas Food Bank, Inc., which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, 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 February 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Texas Food Bank, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Texas Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Central Texas Food Bank, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Texas Food Bank, 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 matter that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Atchley & Associates, LLP". The signature is written in a cursive, flowing style.

Austin, Texas

February 14, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Central Texas Food Bank, Inc.'s, a non-profit 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 Central Texas Food Bank, Inc.'s major federal programs for the year ended September 30, 2020. Central Texas Food Bank, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the compliance for each of Central Texas Food Bank, Inc.'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 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 of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and 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 Central Texas Food Bank, 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 on compliance for each major federal program. However, our audit does not provide a legal determination on Central Texas Food Bank, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion Central Texas Food Bank, Inc. 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 September 30, 2020.

Report on Internal Control Over Compliance

Management of Central Texas Food Bank, Inc. 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 Central Texas Food Bank, Inc.'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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Central Texas Food Bank, Inc.'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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Austin, Texas

February 14, 2021

**CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Federal Program Title - Cluster</u>
10.569	Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities)
10.568	Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)
10.565	Commodity Supplemental Food Program (Food Commodities and Administrative Costs)
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

II. Financial Statement Findings

None

III. Findings Related to Federal Awards

None

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

No prior year findings.