

**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, 2022 and 2021**

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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

Opinion

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, collectively, the Organizations) which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, 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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 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 April 26, 2023, 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.

Atchley & Associates LLP

Austin, Texas

April 26, 2023

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021**

ASSETS	2022	2021
Cash and Cash Equivalents	\$ 53,462,921	\$ 49,962,944
Accounts Receivable	1,731,379	219,865
Investments	16,217,896	15,780,831
Food Inventory Held for Distribution	1,794,182	4,267,414
Purchased Food Inventory	933,379	582,417
Prepaid Expenses	413,960	375,101
Property and Equipment (Net of Accumulated Depreciation of \$7,480,154 and \$6,287,392, respectively)	23,758,622	23,850,021
Notes Receivable	-	12,745,100
TOTAL ASSETS	<u>\$ 98,312,339</u>	<u>\$ 107,783,693</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 1,077,510	\$ 1,056,526
Accrued Liabilities	677,259	765,154
Deferred Revenue	161,061	114,191
New Market Tax Credit Notes Payable	-	18,181,758
Total Liabilities	<u>1,915,830</u>	<u>20,117,629</u>
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	39,343,202	57,049,842
Designated:		
For Future Food Distribution	1,794,182	4,267,414
For Property and Equipment	23,057,124	3,501,336
For Operating Reserve	29,000,000	18,983,917
For CTFB Foundation	3,033,024	3,588,655
Total Net Assets Without Donor Restrictions	<u>96,227,532</u>	<u>87,391,164</u>
Net Assets With Donor Restrictions:		
For Programs	17,883	123,806
In Perpetuity	151,094	151,094
Total Net Assets With Donor Restrictions	<u>168,977</u>	<u>274,900</u>
Total Net Assets	<u>96,396,509</u>	<u>87,666,064</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 98,312,339</u>	<u>\$ 107,783,693</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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	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	\$ 75,957,652	\$ -	\$ -	\$ 75,957,652
Grants and Contracts	8,791,028	-	-	8,791,028
Contributions	26,506,142	313,160	-	26,819,302
Revenue:				
Program Service Fees	1,875,760	-	-	1,875,760
Investment Return, Net	(1,944,935)	-	-	(1,944,935)
Government Grant	-	-	-	-
Other	5,803,668	-	-	5,803,668
	116,989,315	313,160	-	117,302,475
Net Assets Released from Restrictions	419,083	(419,083)	-	-
Total Public Support and Revenue	117,408,398	(105,923)	-	117,302,475
EXPENSES				
Program Services:				
Donated Food Program	101,918,977	-	-	101,918,977
Supporting Services:				
Management and General	3,201,014	-	-	3,201,014
Fund Raising	3,452,039	-	-	3,452,039
Total Expenses	108,572,030	-	-	108,572,030
Change in Net Assets	8,836,368	(105,923)	-	8,730,445
Net Assets at Beginning of Year	87,391,164	123,806	151,094	87,666,064
Net Assets at End of Year	\$ 96,227,532	\$ 17,883	\$ 151,094	\$ 96,396,509

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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	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	\$ 87,224,386	\$ -	\$ -	\$ 87,224,386
Grants and Contracts	6,035,895	-	-	6,035,895
Contributions	45,424,875	1,471,042	-	46,895,917
Revenue:				
Program Service Fees	1,354,744	-	-	1,354,744
Investment Return, Net	1,361,700	-	-	1,361,700
Government Grant	1,268,800	-	-	1,268,800
Other	117,654	-	-	117,654
	142,788,054	1,471,042	-	144,259,096
Net Assets Released from Restrictions	1,956,399	(1,956,399)	-	-
Total Public Support and Revenue	144,744,453	(485,357)	-	144,259,096
EXPENSES				
Program Services:				
Donated Food Program	112,775,710	-	-	112,775,710
Supporting Services:				
Management and General	2,222,880	-	-	2,222,880
Fund Raising	3,368,294	-	-	3,368,294
Total Expenses	118,366,884	-	-	118,366,884
Change in Net Assets	26,377,569	(485,357)	-	25,892,212
Net Assets at Beginning of Year	61,013,595	609,163	151,094	61,773,852
Net Assets at End of Year	\$ 87,391,164	\$ 123,806	\$ 151,094	\$ 87,666,064

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, 2022**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 77,761,477	\$ -	\$ -	\$ 77,761,477
Salaries and Related Expenses	8,071,256	2,202,079	1,389,826	11,663,161
Food Acquisitions	10,398,060	-	-	10,398,060
Fees for Service	46,158	192,403	1,716,496	1,955,057
Equipment Rent and Maintenance	1,103,978	193,182	44,183	1,341,343
Mileage and Freight	1,009,538	-	-	1,009,538
Occupancy	793,753	14,929	261	808,943
Professional Fees	166,427	360,023	195,614	722,064
Supplies	367,039	34,443	16,362	417,844
Insurance	394,691	20,330	-	415,021
Conferences and Meetings	174,208	63,134	15,270	252,612
Grants to Agencies	174,709	-	-	174,709
Telephone	62,400	9,491	4,602	76,493
Printing and Publication	18,511	7,828	30,313	56,652
Postage	2,318	3,076	21,108	26,502
Memberships	1,214	4,982	4,706	10,902
Miscellaneous	3,792	400	-	4,192
	<u>100,549,529</u>	<u>3,106,300</u>	<u>3,438,741</u>	<u>107,094,570</u>
Interest	195,889	86,007	2,802	284,698
Depreciation	1,173,559	8,707	10,496	1,192,762
TOTAL EXPENSES	<u><u>\$ 101,918,977</u></u>	<u><u>\$ 3,201,014</u></u>	<u><u>\$ 3,452,039</u></u>	<u><u>\$ 108,572,030</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, 2021**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 89,258,848	\$ -	\$ -	\$ 89,258,848
Salaries and Related Expenses	7,510,814	1,726,562	1,385,486	10,622,862
Food Acquisitions	9,280,324	-	-	9,280,324
Fees for Service	132,034	111,456	1,765,933	2,009,423
Equipment Rent and Maintenance	808,138	95,908	23,328	927,374
Mileage and Freight	596,495	-	-	596,495
Occupancy	775,330	12,482	160	787,972
Professional Fees	23,368	136,684	61,073	221,125
Supplies	223,602	32,642	12,080	268,324
Insurance	297,688	21,344	1,226	320,258
Conferences and Meetings	128,572	46,402	12,580	187,554
Grants to Agencies	2,267,627	-	-	2,267,627
Telephone	45,458	10,829	5,086	61,373
Printing and Publication	20,912	6,250	49,142	76,304
Postage	2,729	2,452	35,726	40,907
Memberships	453	7,656	1,780	9,889
Miscellaneous	-	53	-	53
	<u>111,372,392</u>	<u>2,210,720</u>	<u>3,353,600</u>	<u>116,936,712</u>
Interest	363,589	4,406	5,328	373,323
Depreciation	1,039,729	7,754	9,366	1,056,849
TOTAL EXPENSES	<u><u>\$ 112,775,710</u></u>	<u><u>\$ 2,222,880</u></u>	<u><u>\$ 3,368,294</u></u>	<u><u>\$ 118,366,884</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, 2022 AND 2021**

	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 8,730,445	\$ 25,892,212
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	-	3,369
(Gain) Loss on New Market Tax Credit Debt dissolution	(5,524,900)	-
Depreciation	1,192,762	1,056,849
Debt forgiveness	-	(1,268,800)
Amortization	88,242	105,859
Unrealized (Gain) Loss on Investments	2,850,352	(876,670)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(1,511,514)	1,124,464
Food Inventory	2,122,270	2,545,704
Prepaid Expenses	(38,859)	454,622
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	20,984	795,824
Accrued Liabilities	(87,895)	108,726
Deferred Revenue	46,870	(1,490,073)
Net Cash Provided by (Used by) Operating Activities	7,888,757	28,452,086
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(9,643,183)	(18,167,843)
Proceeds from Sale of Investments	6,355,766	9,906,779
Proceeds from Sale of Property and Equipment	-	2,500
Purchase of Property and Equipment	(1,101,363)	(1,720,796)
Net Cash Provided by (Used by) Investing Activities	(4,388,780)	(9,979,360)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net Cash Provided by (Used by) Financing Activities	-	-
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 3,499,977	 18,472,726
Cash and Cash Equivalents at Beginning of Year	49,962,944	31,490,218
Cash and Cash Equivalents at End of Year	\$ 53,462,921	\$ 49,962,944
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash Paid During the Year for:		
Interest	\$ 196,456	\$ 267,464
Federal Income Taxes	\$ -	\$ -
Maturity of New Market Tax Credit Debt	\$ 12,745,100	\$ -
Maturity of New Market Tax Credit Note Receivable	\$ 12,745,100	\$ -

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, 2022 AND 2021**

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 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,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

**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, 2022 and 2021, is recorded in the financial statements at an average value of \$1.92 and \$1.79, 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, 2022 and 2021.

The Food Bank capitalizes all depreciable assets with a cost equal to or greater than \$1,000 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.

**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, 2022 AND 2021**

**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 86,300 and 99,716 hours to the food distribution program during the years ended September 30, 2022 and 2021, 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, 2019, and after are subject to examination by the Internal Revenue Service.

**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, 2022 AND 2021**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- 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 | 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, 2022.

**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, 2022 AND 2021**

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

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.

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 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 Issued Accounting Pronouncements - In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Food Bank adopted the ASU during the year ended September 30, 2022, and applied the ASU retrospectively to the year ended September 30, 2021. See Note 4.

**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, 2022 AND 2021**

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

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as financing or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statements of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statements of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2021, and early adoption is permitted. The Food Bank is currently evaluating the impact the standard will have on its financial statements.

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.

NOTE 2 - CASH AND CASH EQUIVALENTS

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

	2022	2021
Cash Held at Financial Institutions	\$ 38,341,230	\$ 30,347,954
Money Market Accounts	15,121,691	19,614,990
	<u>\$ 53,462,921</u>	<u>\$ 49,962,944</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, 2022 and 2021, included in the Consolidated Statements of Activities and Changes in Net Assets, is summarized as follows:

	2022	2021
Unrealized Gain (Loss) on Investments	\$ (2,850,352)	\$ 876,670
Interest and Dividends	989,106	523,890
Investment Fees	(83,689)	(38,860)
Investment Return, Net	<u>\$ (1,944,935)</u>	<u>\$ 1,361,700</u>

**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, 2022 AND 2021**

NOTE 3 - INVESTMENTS - CONTINUED

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, 2022 and 2021, are summarized as follows:

September 30, 2022:

<u>FOOD BANK</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 14,918,329	\$ 14,918,329	\$ -
Long-Term Investments:			
Money Market Funds [Non-Sweep]	1,501,032	1,501,032	-
U.S. Treasuries	1,156,221	1,097,070	(59,151)
Corporate Bonds	3,242,990	3,111,816	(131,174)
Municipal Bonds	100,773	100,032	(741)
Mortgage Pools	808	827	19
CMO & Asset Backed Securities	18,652	17,955	(697)
Common Stocks and Other	7,865,351	7,407,695	(457,656)
	<u>13,885,827</u>	<u>13,236,427</u>	<u>(649,400)</u>
Total Food Bank	<u>28,804,156</u>	<u>28,154,756</u>	<u>(649,400)</u>

FOUNDATION

Short-Term Investments:			
Money Market Accounts (cash equivalents)	203,362	203,362	-
Long-Term Investments:			
Money Market Funds [Non-Sweep]	44,681	44,681	-
U.S. Treasuries	249,524	242,227	(7,297)
Corporate Bonds	429,021	414,745	(14,276)
Government Obligations	-	-	-
Municipal Bonds	55,848	55,025	(823)
Common Stocks and Other	1,517,870	2,224,791	706,921
	<u>2,296,944</u>	<u>2,981,469</u>	<u>684,525</u>
Total Foundation	<u>2,500,306</u>	<u>3,184,831</u>	<u>684,525</u>

Total Food Bank and Foundation	<u>\$ 31,304,462</u>	<u>\$ 31,339,587</u>	<u>\$ 35,125</u>
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**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, 2022 AND 2021**

NOTE 3 - INVESTMENTS - CONTINUED

September 30, 2021:	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
<u>FOOD BANK</u>			
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 19,571,930	\$ 19,571,930	\$ -
Long-Term Investments:			
Money Market Funds [Non-Sweep]	2,246,373	2,246,373	-
U.S. Treasuries	698,286	695,906	(2,380)
Corporate Bonds	3,713,723	3,718,879	5,156
Municipal Bonds	100,925	100,258	(667)
Mortgage Pools	1,189	1,259	70
CMO & Asset Backed Securities	25,116	27,462	2,346
Common Stocks and Other	3,938,048	5,292,955	1,354,907
	<u>10,723,660</u>	<u>12,083,092</u>	<u>1,359,432</u>
Total Food Bank	<u>30,295,590</u>	<u>31,655,022</u>	<u>1,359,432</u>
 <u>FOUNDATION</u>			
Short-Term Investments:			
Money Market Accounts (cash equivalents)	43,060	43,060	-
Long-Term Investments:			
Corporate Bonds	487,162	493,567	6,405
Government Obligations	227,308	229,703	2,395
Municipal Bonds	56,014	55,173	(841)
Common Stocks and Other	1,450,419	2,919,296	1,468,877
	<u>2,220,903</u>	<u>3,697,739</u>	<u>1,476,836</u>
Total Foundation	<u>2,263,963</u>	<u>3,740,799</u>	<u>1,476,836</u>
Total Food Bank and Foundation	<u>\$ 32,559,553</u>	<u>\$ 35,395,821</u>	<u>\$ 2,836,268</u>

NOTE 4 - CONTRIBUTED NONFINANCIAL ASSETS

The Food Bank received donations of food from various sources including Feeding America, the United States Department of Agriculture (USDA), and reclamation items from area grocery stores. The Food Bank received 39,561,277 and 48,728,707 pounds donated food (valued at \$1.92 and \$1.79 per pound, respectively) during the year ended September 30, 2022 and 2021, respectively. Donated food is reported at fair value using the weighted-average wholesale value per pound of food, as determined in an annual study performed by Feeding America.

**CENTRAL TEXAS FOOD BANK, INC,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 - PROPERTY AND EQUIPMENT

The major classes of property and equipment held as of September 30, 2022 and 2021, are as follows:

	Life	2022	2021
Land	-	\$ 3,056,775	\$ 3,056,775
Works in Progress	-	40,531	604,348
Building	5-50 years	19,406,945	19,269,901
Office Equipment	3-10 years	1,602,480	1,552,801
Warehouse Equipment	3-10 years	1,870,141	1,324,422
Vehicles	5-8 years	3,863,571	3,614,263
Kitchen Equipment	5-10 years	454,521	454,521
Garden	5-10 years	844,727	161,297
Agency Capacity	5-10 years	99,085	99,085
		<u>31,238,776</u>	<u>30,137,413</u>
Accumulated Depreciation		<u>(7,480,154)</u>	<u>(6,287,392)</u>
		<u>\$ 23,758,622</u>	<u>\$ 23,850,021</u>

Depreciation expense of \$1,192,762 and \$1,056,849 was recorded during the years ended September 30, 2022 and 2021, respectively.

NOTE 6 - NOTES RECEIVABLE

In connection with the issuance of New Market Tax Credits Financing (See Note 7) 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.

**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, 2022 AND 2021**

NOTE 6 - NOTES RECEIVABLE - CONTINUED

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.

On May 26, 2022, these notes receivable were resolved with the closing of the debt associated with the New Market Tax Credits.

Interest earned during the years ended September 30, 2022 and 2021, was \$344,553 and \$218,139, respectively.

NOTE 7 - 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:

	2022	2021
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
Loan B	-	3,249,400

**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, 2022 AND 2021**

NOTE 7 - NEW MARKET TAX CREDITS NOTES PAYABLE - CONTINUED

	2022	2021
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	\$ -	\$ 996,900.00
Loan B	-	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
Loan B	-	1,772,400
Less Debt Issuance Costs	-	(88,242)
Total	\$ -	\$ 18,181,758

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. On May 26, 2022, the put option was exercised and the debt related to the New Market Tax Credits have been dissolved. A gain on the dissolution was recognized in the amount of \$5,524,900 in other revenue.

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 \$88,242 and \$105,859 for the years ended September 30, 2022 and 2021, respectively.

NOTE 8 - LONG-TERM DEBT

The Food Bank had a note payable related to the Payment Protection Program dated April 6, 2020 in the amount of \$1,268,800 that was forgiven on June 1, 2021 and is recognized as revenue on the Consolidated Statement of Activities and Changes in Net Assets during the year ended September 30, 2021.

**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, 2022 AND 2021**

NOTE 9 - CITY AND COUNTY GRANTS

Expenditures of the City of Austin and Travis County grant funds for the years ended September 30, 2022 and 2021, were \$465,660 and \$1,010,968, respectively.

NOTE 10 - NET ASSETS

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

	2022	2021
For Future Food Distribution	\$ 1,794,182	\$ 4,267,414
For Property and Equipment	23,057,124	3,501,336
For Operating Reserve	29,000,000	18,983,917
For CTFB Foundation	3,033,024	3,588,655
Total Net Assets with Board Designations	\$ 56,884,330	\$ 30,341,322

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:

	2022	2021
Time or Purpose:		
Backpack Program	\$ 17,883	\$ 9,615
Service Insights	-	84,925
Starbucks Program	-	29,266
	17,883	123,806
In Perpetuity:		
Foundation	151,094	151,094
Total Net Assets with Donor Restrictions	\$ 168,977	\$ 274,900

**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, 2022 AND 2021**

NOTE 10 - 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:

	2022	2021
Food Purchase	\$ 160,795	\$ 1,170,219
Service Insights	91,701	101,612
NFIP Produce Access	82,163	-
Backpack Program	55,157	153,954
Starbucks Program	29,267	118,621
White Mail and Other	-	207,485
Miscellaneous Programs	-	70,382
Healthy Pantry Initiative	-	65,130
HI / Diabetes Grant	-	27,984
Census	-	22,137
Mobile Food Pantries	-	18,775
Food Rescue Program	-	100
	<u>\$ 419,083</u>	<u>\$ 1,956,399</u>

NOTE 11 - TEXAS 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, 2022 and 2021, the Food Bank recognized \$1,473,034 and \$1,154,283 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 \$1,473,034 and 1,154,283 in 2022 and 2021, 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, 2022 and 2021, the Food Bank contributed \$304,204 and \$314,116, respectively.

**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, 2022 AND 2021**

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 \$52,767,707 at financial institutions exceeded federally guaranteed limits at September 30, 2022.

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 9,575,206 and 15,809,894 pounds of food as a result of this affiliation during the periods ended September 30, 2022 and 2021, respectively. The Food Bank paid affiliate fees (dues) of \$31,968 and \$8,096 to Feeding America for the years ended September 30, 2022 and 2021, respectively.

Certain members of the Board of Directors of the Organizations contributed \$156,495 and \$32,683 during the years ended September 30, 2021 and 2020, respectively. The Organizations expensed \$0 and \$2,226 for services from companies to which certain members of the Board of Directors are associated during the years ended September 30, 2022 and 2021, respectively.

**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, 2022 AND 2021**

NOTE 15 - LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 53,462,921	\$ 49,962,944
Investments	16,217,896	15,780,831
Accounts Receivable	1,731,379	219,865
Notes Receivable	-	12,745,100
	<u>71,412,196</u>	<u>78,708,740</u>
Less amounts not available to be used within one year:		
Net Assets with Board Designations		
For Property and Equipment	23,057,124	3,501,336
For CTFB Foundation	3,033,024	3,588,655
Note Receivable	-	12,745,100
Net Assets with Donor Restrictions	168,977	274,900
	<u>26,259,125</u>	<u>20,109,991</u>
Financial assets available to meet general expenditures within one year	<u>\$ 45,153,071</u>	<u>\$ 58,598,749</u>

The Food Bank's goal is generally to maintain financial assets to meet 9 to 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. 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, 2022**

ASSETS	Food Bank		
	Operating	Property and Equipment	Operating Reserve
Cash and Cash Equivalents	\$24,050,874	\$ -	\$ 29,209,398
Accounts Receivable	1,731,379	-	-
Investments	13,445,825	-	(209,398)
Food Inventory Held for Distribution	1,794,182	-	-
Purchased Food Inventory	933,379	-	-
Prepaid Expenses	405,935	8,025	-
Property and Equipment (Net of Accumulated Depreciation of \$7,480,154)	-	23,758,622	-
Notes Receivable	-	-	-
TOTAL ASSETS	\$42,361,574	\$23,766,647	\$ 29,000,000
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 367,987	\$ 709,523	\$ -
Accrued Liabilities	677,259	-	-
Deferred Revenue	161,061	-	-
Long-Term Debt	-	-	-
New Market Tax Credit Notes Payable	-	-	-
Total Liabilities	1,206,307	709,523	-
Net Assets:			
Net Assets Without Donor Restrictions:			
Undesignated	39,343,202	-	-
Designated for Future Food Distribution	1,794,182	-	-
Designated for Property and Equipment	-	23,057,124	-
Designated for Operating Reserve	-	-	29,000,000
Designated for CTFB Foundation	-	-	-
Total Net Assets Without Donor Restrictions	41,137,384	23,057,124	29,000,000
Net Assets With Donor Restrictions:			
For Programs	17,883	-	-
In Perpetuity	-	-	-
Total Net Assets	41,155,267	23,057,124	29,000,000
TOTAL LIABILITIES AND NET ASSETS	\$42,361,574	\$23,766,647	\$ 29,000,000

See Independent Auditors' Report

Total	Foundation	Support Corporation	Eliminations	Consolidated
\$53,260,272	\$ 202,649	\$ -	\$ -	\$ 53,462,921
1,731,379	-	-	-	1,731,379
13,236,427	2,981,469	-	-	16,217,896
1,794,182	-	-	-	1,794,182
933,379	-	-	-	933,379
413,960	-	-	-	413,960
23,758,622	-	-	-	23,758,622
-	-	-	-	-
<u>\$95,128,221</u>	<u>\$ 3,184,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,312,339</u>
\$ 1,077,510	\$ -	\$ -	\$ -	\$ 1,077,510
677,259	-	-	-	677,259
161,061	-	-	-	161,061
-	-	-	-	-
-	-	-	-	-
<u>1,915,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915,830</u>
39,343,202	-	-	-	39,343,202
1,794,182	-	-	-	1,794,182
23,057,124	-	-	-	23,057,124
29,000,000	-	-	-	29,000,000
-	3,033,024	-	-	3,033,024
93,194,508	3,033,024	-	-	96,227,532
17,883	-	-	-	17,883
-	151,094	-	-	151,094
<u>93,212,391</u>	<u>3,184,118</u>	<u>-</u>	<u>-</u>	<u>96,396,509</u>
<u>\$95,128,221</u>	<u>\$ 3,184,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,312,339</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, 2022**

	Food Bank					
	Operating Fund		Property and Equipment			
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	Operating Reserve	Total
PUBLIC SUPPORT AND REVENUE						
Public Support:						
Donated Food Received for Distribution	\$ 75,957,652	\$ -	\$ -	\$ -	\$ -	\$ 75,957,652
Grants and Contracts	8,791,028	-	-	-	-	8,791,028
Contributions	26,438,555	313,160	67,587	-	-	26,819,302
Revenue:						
Program Service Fees	1,875,760	-	-	-	-	1,875,760
Investment Return, Net	358,845	-	-	-	(1,747,811)	(1,388,966)
Other	278,768	-	-	-	-	278,768
Net Assets Released from Restrictions	113,700,608	313,160	67,587	-	(1,747,811)	112,333,544
	419,083	(419,083)	-	-	-	-
Total Public Support and Revenue	114,119,691	(105,923)	67,587	-	(1,747,811)	112,333,544
EXPENSES						
Program Services:						
Donated Food Program	100,543,217	-	607,480	-	-	101,150,697
Supporting Services:						
Management and General Fund Raising	3,161,486	-	4,507	-	-	3,165,993
	3,414,326	-	5,433	-	-	3,419,759
Total Expenses	107,119,029	-	617,420	-	-	107,736,449
Change in Net Assets	7,000,662	(105,923)	(549,833)	-	(1,747,811)	4,597,095
Transfers Among Funds	(27,180,534)	-	21,945,196	-	11,763,894	6,528,556
Net Assets at Beginning of Year	61,317,256	123,806	1,661,761	-	18,983,917	82,086,740
Net Assets at End of Year	\$ 41,137,384	\$ 17,883	\$ 23,057,124	\$ -	\$ 29,000,000	\$ 93,212,391

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**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 - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Foundation			Support Corporation			Consolidated Total
	Foundation Funds			Support Corporation Funds			
	Without Donor Restrictions	In Perpetuity Donor Restrictions	Total	Without Donor Restrictions	Eliminations		
PUBLIC SUPPORT AND REVENUE							
Public Support:							
Donated Food Received for Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,957,652
Grants and Contracts	-	-	-	-	-	-	8,791,028
Contributions	-	-	-	180,836	(180,836)	-	26,819,302
Revenue:							
Program Service Fees	-	-	-	-	-	-	1,875,760
Investment Return, Net	(555,969)	-	(555,969)	-	-	-	(1,944,935)
Other	-	-	-	5,524,900	-	-	5,803,668
	(555,969)	-	(555,969)	5,705,736	(180,836)	-	117,302,475
Net Assets Released from Restrictions	-	-	-	-	-	-	-
Total Public Support and Revenue	(555,969)	-	(555,969)	5,705,736	(180,836)	-	117,302,475
EXPENSES							
Program Services:							
Donated Food Program	-	-	-	949,116	(180,836)	-	101,918,977
Supporting Services:							
Management and General Fund Raising	713	-	713	34,308	-	-	3,201,014
	-	-	-	32,280	-	-	3,452,039
Total Expenses	713	-	713	1,015,704	(180,836)	-	108,572,030
Change in Net Assets	(556,682)	-	(556,682)	4,690,032	-	-	8,730,445
Transfers Among Funds	1,051	-	1,051	(6,529,607)	-	-	-
Net Assets at Beginning of Year	3,588,655	151,094	3,739,749	1,839,575	-	-	87,666,064
Net Assets at End of Year	\$ 3,033,024	\$ 151,094	\$ 3,184,118	\$ -	\$ -	\$ -	\$ 96,396,509

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